

Budget Synopsis 2016

Finance minister Arun Jaitley kept his focus on boosting the rural economy, announcing higher spending in the sector to fire demand as he presented his second full budget on Monday.

A] Jaitley's Budget speech

1. Jaitley concludes Budget 2016 speech, which lasted for 1 hour 41 minutes
2. No change in Income Tax slab
3. I propose to amend customs act to provide for deferred payment of custom duty for importers & exporters within proven track record.
4. I accept suggestion from Rahul Gandhi on providing relief(exemption of duty on braille paper) to differently-abled people.
5. I propose to abolish 13 different cesses levied by various ministries in which revenue collection is less than Rs 50 crores per year.
6. Excise duty on most tobacco products raised by 10-15%.
7. Limited tax compliance window: 45% incl surcharge and penalties and immunity from prosecution.
8. Our Govt is completely committed to removing black money from the economy.
9. Krishi Kalyan cess to be imposed on all taxable services for agricultural sector.
10. Jaitley proposes to lower corporate IT rate for next financial year of relatively small enterprises companies with turnovers not exceeding Rs 5 cr.
11. Service tax exemption for construction of affordable housing up to 60 sq. m. under state and central housing schemes
12. Incentives for new manufacturing companies and smaller enterprise companies.
13. Service tax exempted for general insurance schemes under Niramayi Swasthya Bima Yojna.
14. I propose to increase limit of deduction in respect of rent paid from Rs 24000 per year to Rs 60000 per year.
15. People who do not have any house of their own & don't get any house rent allowance from their employer get a reduction of Rs 24000 per year.
16. Committed to implementing GAAR from April 1, 2017.
17. To lessen burden on individuals with income not exceeding 5 lakh, I propose sealing of tax rebate under sec 87A from Rs 2000 to Rs 5000.
18. For tax payers earning below Rs 5 lakh, ceiling on tax rebate increased by Rs 3,000.
19. Tax proposals to provide relief to small taxpayers through rebates.
20. 100% FDI in the marketing of food products produced and manufactured in India.

21. Fiscal deficit at 3.9% in 2015-16 and at 3.5% in 2016-17; no deviation from fiscal deficit roadmap.

B] Jaitley's Budget: 100% FDI in multi-brand retail for food products

1. 160 airports and airstrips can be revived at a cost of Rs 50-100 Crore each.
2. Fiscal deficit for Financial Year 2016-'17 targeted at 3.5%.
3. I have proposed an allocation of Rs 25000 crores in Budget 2016 towards recapitalization of public sector banks.
4. An increased allocation of Rs 1,80,000 Crores under PM MUDRA Yojana.
5. Prudence lies in adhering to fiscal targets.
6. A bill on targeted delivery of financial services using Aadhar to be introduced.
7. We are not interfering in lending and personal issues of the banks.
8. Public money should reach the poor and deserving without any leakage.
9. A National Dialysis Services Program will be introduced under National Health Mission.

C] Jaitley proposes listing of PSU general insurance companies in Budget

1. I propose to amend the SEBI act 1992 in coming year to provide for more number of benches of Securities Appellate Tribunal.
2. Comprehensive Code to be introduced to provide a specialised resolution mechanism for bankruptcy of banks/insurance companies.
3. Department of Disinvestment to be renamed as Department of Investment and Public Asset Management.
4. Govt will enact necessary amendments in the Motor Vehicles Act and open up the road transport sector in passenger segment.
5. 100% FDI through FAPB route in marketing of food products produced and manufactured in India.
6. To streamline institutional arrangement for resolution of disputes in infra related to construction contracts, public utility contracts, PPP.
7. Rs 1,000 crore allocated for new EPF (Employees' Provident Fund) scheme.
8. A public utility resolution of disputes bill will be introduced during 2016-17.
9. These shops should be given a choice to remain open on all 7 days of the week of voluntary basis.

D] Focus on rural India, social welfare in Jaitley's speech

1. Rs. 1000 cr set aside for higher education financing.
2. These shops should be given a choice to remain open on all 7 days of the week of voluntary basis.
3. Will be further topped up by additional Rs 15000 cr to be raised by NHAI through bonds.
4. If shopping malls are kept open all 7 days of the week, why not small and medium shops?
5. I have proposed to allocate a sum of Rs 55000 crore in Budget 2016 for roads and highways.
6. Retail trade is largest service sector employer in country. Many more jobs are created in this, provided the regulations are simplified.
7. Total outlay for infrastructure in Budget 2016 now stands at Rs 2,21,246 Cr.
8. Allocate Rs 55,000 Crores for roads and highways, total investment in Road Sector would be Rs 97,000 crore.
9. A national careers service was launched in July 2015. We propose to make 100 model career centres operational by end of 2016..
10. Objective to skill 1 crore youth in the next 3 years under the PM Kaushal Vikas Yojna.
11. Senior citizens will get additional healthcare cover of Rs 30,000 under the new scheme.
12. 1500 Multi skill training institutes will be set up.
13. National SC/ST Hub to support SC/ST entrepreneurs.
14. Govt will launch a new health protection scheme which will provide health cover upto Rs 1 lakh per family
15. Stand Up India scheme allocated Rs 500 Crores for SC, ST and women entrepreneurs- 2 projects to be promoted per bank branch per category
16. Rs 9,000 crores allocated to Swachh Bharat Abhiyaan.

E] Rs 500 crore for SC/ST,women entrepreneurs, says Jaitley

1. I have set aside a sum of Rs 2000 crores in Budget 2016 to meet the initial cost of providing these LPG connections.
2. We have decided to embark upon massive mission to provide an LPG connection in the name of women members of poor households.

3. For [rural development](#) as a whole I have allocated Rs 87765 crores in this budget.
4. We plan to launch digital literacy mission scheme for rural India to cover around 6 crore additional households in next 3 years.
5. 300 rural clusters to be set up under Shyama Prasad Mukherji Rural Mission.
6. MNRGA to get 38,500 crore rupees.
7. Govt is committed to achieve 100% village electrification by 1st May 2018.
8. MGNREGA to get 38,500 crore rupees.
9. Sum of Rs 2.87 lakh crore will be given as grant in aid to gram panchayat, municipalities as per 14th finance commission recommendation.
10. 65 eligible habitats to be connected via 2.23 lakh kms of road. Current construction pace is 100 kms per day.
11. Allocation to PM Fasal Bima Yojana for 2016/17 is Rs. 5500 crores.
12. We need to prioritise our expenditure, given recommendations of 7th PC & OROP implementation.
13. Must look ahead of risk of global slow down. Must ensure macro stability and fiscal management.
14. We inherited an economy of slow growth, high inflation and low faith in government.
15. Enactment of law for statutory platform to Aadhaar platform.
16. New initiative to cooking gas to BPL families.
17. Three social sector initiatives: farm sector insurance, health insurance for all and cooking gas subsidy for below poverty line families.
18. Money to the government belongs to the people.
19. Our external situation is robust, CAD has declined to USD 14.4 bn this year, will be 1.4% of [GDP](#) at the end of fiscal.
20. We have to prudent fiscal policy, raise domestic demand, carry out reforms.
21. Rs 19,000 crore to be allocated for Pradhan Mantri Gram Sadak Yojana.
22. A dedicated irrigation fund worth Rs 20,000 crore to be set up under NABARD.
23. 5 lakh acres to be brought under organic farming over a three year period.

F] [It's cheaper to live in New Delhi & Mumbai than other global cities](#)

1. Total allocation for agriculture and farmers' welfare is Rs. 35,984 crores.
2. Since foreign markets are weak we must rely on domestic demand and Indian markets to ensure that Indian growth doesn't slow down.
3. Govt will reorient its intervention in the farm and non farm sector to double the

- income of farmers by 2022.
4. Nominal premium and highest ever compensation in case of crop loss under the PM Fasal Bima Yojna.
 5. FY 2016-17 will be challenging for government expenditure
 6. We inherited an economy of slow growth, high inflation and low faith in government
 7. Growth of GDP has accelerated to 7.6%.
 8. Amidst slowdown in global growth and trade, the Indian economy has held its ground firmly.
 9. I am presenting this budget when global economy is in a serious crisis.
 10. Amidst global headwinds, the Indian economy has held its own.
 11. Lot of confidence and hope continues to be build around India.
 12. The CPI inflation has come down to 5.4% from 9 plus, bringing big relief to the public.
 13. 14th Finance Commission recommendation has increased devolution of funds to the states by 55%.
 14. Foreign exchange reserves are at the highest ever level at \$350 bn.
 15. I am presenting this budget when the global economy is in serious crisis We converted difficulties and challenges to an opportunity.
 16. Global economy in serious crisis .

Nine Pillars for transforming India has been considered

1. Agriculture
2. Rural sector
3. Social Sector
4. Education , skill and job creation to make India knowledge based and productive economy .
5. Infrastructure investment
6. Financial sector reforms
7. Governance reforms and ease of doing business.
8. Fiscal discipline
9. Tax reforms to reduce compliance burden

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