

The Department of MBA has organized a panel discussion to MBA students on Indian Budget on 29-02-16 at the seminar hall. Eminent academician and expert in the field of Economics, Dr. K. Suryarao from DNR College was the chief guest. The budget session was telecasted live, and the expert and the HOD of MBA, Dr. G. Subbaraju has expressed his views on the budget and answered various questions posed by the students and thus this session was made interactive.



## **UNION BUDGET HEADLINES 2016-17**

Finance Minister, shri. Aurn Jaitley presented the **Union Budget for the year 2016-17 on 29 feb 2016.**

### **Key Highlights of Union Budget 2016**

The key highlights of Union Budget 2016 are as follows:

- 5 lk acres to be brought under organic farming over three a year period.
- Govt. To provide incentive for deepwater gas exploration.
- Allocation for agriculture and farmer welfare at Rs. 35,984 crore.
- 28.5 lk hectares of land will be brought under irrigation.
- Rs. 60,000 crore for recharging of ground water recharging.
- Swachh Bharat scheme to get Rs. 9,500 crore.
- Rs.27,000 crore to be spend on roadways.

### **Budget 2016 sector wise announcements**

#### **Taxation**

- No changes have been made to existing income tax rates.
- Infrastructure and agriculture cess to be levied.
- Excise duty raised from 10 to 15% on tobacco products other than beedis.
- 1% service charge on purchase of luxury cars over Rs. 10 lk and in-cash purchase of goods and service over Rs. 2 lk.
- SUVs, luxury cars to be more expensive.
- Deduction for rent paid will be raised from Rs. 20,000 to 60,000 to benefit those living in rented houses.
- Additional exemption of Rs. 50,000 for housing loan up to Rs. 35 lk, provided cost of house is not above Rs. 50 lks.
- Service tax exempted for housing constructions of house less than 60 sq.m.
- Companies with revenue less than Rs. 5 crore to be taxed at 29% plus surcharge.
- Limited tax compliance window from jun 1- sept 30 for declaring undisclosed income at 45% incl. Surcharge and penalties.
- Dividend in excess of Rs. 10 lk p.a to taxed at additional 10%.
- Excise 1% impose on articles of jewellery, excluding silver.

#### **Agriculture**

- Total allocation for agriculture and farmer welfare at Rs. 35,984 crores.
- 28.5 lks heactares land will be brought under irrigation.
- 5lk acres to be brought under organicfarming over 3 yrs period.
- Dedicated irrigation fund in NABARD of Rs. 20,000 crores.

- Rs. 60,000 crores for recharging of ground water recharging as there is urgent needs to focus on drought hit areas cluster development for water conservation.
- Nominal premium and highest ever compensation in case of crop loss under the PM Fasal Bima Yojna.

### **Banking**

- Banks get a big boost: Rs. 25,000 crores towards recapitalisation of public sector banks. Jaitley says: banking board bureau will be operationised; we stand solidly behind public sector banks.
- Target of disbursement under MUDRA increased to 1,80,000 crores.
- Process of transfer of govt. stake in IDBI bank below 50% started.
- General Insurance companies will be list in stock exchange.
- Govt. to increase ATMs, micro- ATMs in post office in next 3 yrs.

### **Infrastructure**

- Rs. 27,000 crores to be spend on roadways.
- 65 eligible habitats to be connected via 2.23 lakh kms of road. Current construction pace is 100kms/day.
- Shops to given option to remain open all 7 days in a week across market.
- Rs. 55,000 crores for road and highways. Total allocation for road construction, including PMGSY-, Rs. 97,000 crores.
- India's highest ever production of motor vehicles was recorded in 2015.
- Total outlay of infrastructure in budget 2016 now stands at Rs. 2,21,246 crores.
- New Greenfield ports to be develop in east and was coast.
- Revival of underserved airports. Centre to partner with statesto revive small airport for regional connectivity.
- Govt. will amend Motor Vehicle Act in passenger vehicle segement to allow innovation.

### **Investments**

- 100% FDI in marketing of food products produced and marketed in India.
- Dept. of disinvestment to be renamed as dept. of investment and public asset mgt.
- Direct tax proposals result in revenue loss of Rs. 1060 crore, indirect proposals to bring gain of Rs. 20,670 crores.

## **Social**

- Rs.38,500 crores for Mahatma Gandhi MANREGA for 2016-17.
- Swachh Bharat Abhiyan allocated Rs. 9500 crores.
- Hub to support ST/SC entrepreneurs.
- Govt. is launching a new initiative to provide a cooking gas to BPL families with state support.
- LPG connection to provide under the name of women members of family: Rs.2000 crores allocated for 5yrs BPL families.
- 2.87 lks crore grant to Gram Panchayats and Municipalities a quantum jump of 228%.
- 300 urban clusters to be set up under Shyama Prasad Mukerji Rurban mission.
- 300 crore additional household to be covered Digital Literacy scheme in next 3 yrs.
- Four scheme for animal welfare.

## **Health**

- 2.2 lk renal patients added every year in India. Basic dialysis equipment get some relief.
- A new health protection scheme for health cover up to 1lk/family.
- National dialysis service prog with fund thru PPP mode to provide dialysis at all district hospitals.
- Senior citizen will get additional healthcare over of Rs. 30,000 under the new scheme.
- PM Jan Aushadhi Yojana to be strengthened, 300 generic drug stored to be opened.

## **EDUCATION**

- 10 public and 10 pvt. Educational institutions to be made world class.
- Digital repository for all school leaving certificates and diplomas. Rs. 1000 crores for higher education financing.
- Rs.1700 crore for 1500 multi-skill development centre.
- 62 new navodaya vidyalayas to be set up for quality education.
- Digital literacy schemeto be launched to cover 6 crore additional rural household.
- Entrepreneurship training to be provide across schools, colleges and massive online courses.
- Objective to skill 1 crore youth in next 3 yrs under the kaushal vikas yojana.
- National skill development mission has imparted training to 76 lk youth. 1500 multi-skill training institute to be set up.

## **PERSONAL FINANCE**

- Rs. 1000 crore allocated for new EPF scheme.
- Govt. will pay EPF contribution of 8.33% for all new employees for first 3 yrs.
- 15% surcharge on income above Rs.1 crore.
- Service tax exempted for housing construction of houses less than 60sq.
- Additional exemption of Rs.50,000 for housing loans up to Rs. 35 lk, provided cost of house is not above Rs.50 lk.
- Deduction for rent paid will raised from Rs.20000 to Rs.60000 to be benefit those living in rent houses.

## **ENERGY**

- Rs. 3000 crore earmarked for nuclear power generation.
- Govt. drawing comprehensive plan to be implemented in next 15-20 yrs for exploiting nuclear energy.
- Govt to provide incentives for deepwater gas exploration.

### **Dr. K. Suryarao expressing his views on the budget**

