

Analysis of Union Budget 2017-18

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I. Introduction

UNION BUDGET 2017-18 has a human face, is progressive, farsighted, has a long term vision, provisions for the deprived and the most disadvantaged, makes way for millions in India to take pride in their knowledge and seek livelihoods with their skills and potential, secures health, education, income, housing and infrastructure developments for underprivileged in all sectors including agriculture, industry and services. It gives tax relief to the poorest of the poor with bringing the tax rate down from 10% to 5% in the income bracket of ₹ 2,50,000 to ₹ 500,000 and corporate taxes to 25% for Small and Medium enterprises. The government aims to undertake the mission Mission Antyodaya to bring one crore households out of poverty and to make 50,000 gram panchayats poverty free. Social Security is ensured through MGNREGA that provides atleast 100 days employment to every rural household. It further aims that during 2017-18, 5 lakh ponds in addition to last years target of 5 lakh farm ponds and 10 lakh composite pits will be taken up with the budget provisioning increasing to ₹ 48,000 crores in 2017-18. The Budget 2016-17 provides for building 1 crore houses by 2019 for the homeless and has stepped up Pradhan Mantri Awaas Yojana from ₹ 15000 crores to ₹ 23,000crores. The Budget gives the vision for 100% village electrification by May 2018. Allocations are aimed at providing for safe drinking water supplies to 28,000 arsenic and fluoride affected habitations. The total allocation for rural, agriculture and allied sectors in this budget is 24% higher than the previous year. Mahila Shakti Kendra would be set up with an allocation of ₹ 500 crores in 14 lakh ICSD Anganwadi Centres. Women and Children welfare schemes have received an increased allocation of ₹ 1,84,632 crores in 2017-18. The allocation for

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complaint as real estate purchase and sales attract a lot of black money. The carry forward of losses in respect of start up with the condition of continuous holding of 51% voting rights has been changed from 3 years out of 5 years to 3 years out of 7 years which gives greater gestation space to new start up. The government has also indicated that it would start eliminating exemption from 2017 as thus propose abolishing the MAT in 2018 or 2019. Boost to the Banking sector has also been given by allowing them to provision from NPA from 7.5% to 8.5%. To promote the use of LNG as fuel the customs duty has been reduced from 5% to 2.5%.

The budget would lead to reduction in prices of digital train ticket bookings, Resin and catalyst use in manufacture of cast components for Wind operated energy generators, Cashews, Populated printed circuit boards, RO membrane element purifier for households, LNG, solar tempered glass used in solar panels, fuel cells based on power generator systems, vegetable tanning extracts, POS Machines, Card and Finger Print reader Machines and group insurance for defence personnels. The items that would become expensive with this budget are pan masala, unmanufactured tobacco, cigarettes, chewing tobacco, jarda, gutka, LED, silver medallion, silver coins, semimanufactured form of silver and articles of silver, cigar and Cheroots and paper rolled biris handmade.

There is something for everyone in this Union Budget 2017-18. This Budget would achieve egalitarian distributive justice.