**HIGH LIGHTS OF UNION BUDGET 2016-17**

INTRODUCTION

* India hailed as a ‘bright spot’ amidst a slowing global economy by IMF.
* Robust growth achieved despite very unfavourable global conditions and two consecutive years shortfall in monsoon by 13%.
* Foreign exchange reserves touched highest ever level of about 350 billion US dollars.

CHALLENGES DURING 2016-17.

* Risks of further global slowdown and turbulence.

ROAD MAP & PRIORITIES.

* 'Transform India' to have a significant impact on economy and lives of people.
* Focus on enhancing expenditure in priority areas of - farm and rural sector, social sector, infrastructure sector employment generation and recapitalisation of the banks.
* facility of cooking gas connection for BPL families.
* undertake important banking sector reforms.

AGRICULTURE AND FARMERS’ WELFARE

* Allocation for Agriculture and Farmers’ welfare is ` 35,984 Crores.
* 5 Lakh farm ponds and dug wells in rain fed areas and 10 Lakh compost pits for production of organic manure will be taken up under MGNREGA.
* 2,000 model retail outlets of Fertilizer companies will be provided with soil and seed testing facilities during the next three year.
* Allocation under Pradhan Mantri Gram Sadak Yojana increased to ` 19,000 Crores. Will connect roads to remaining 65,000 eligible habitations by 2019.
* To reduce the burden of loan repayment on farmers, a provision of ` 15,000 Crores has been made in the BE 2016-17 towards interest subvention.

RURAL SECTOR

* 100% village electrification by 1st May, 2018.
* District Level Committees under Chairmanship of senior most Lok Sabha MP from the district for monitoring and implementation of designated Central Sector and Centrally Sponsored Schemes.
* National Land Record Modernisation Programme has been revamped.

SOCIAL SECTOR INCLUDING HEALTH CARE

* 3,000 Stores under Prime Minister’s ‘Jan AushadhiYojana’ will be

opened during 2016-17.

* ‘National Dialysis Services Programme’ to be started under National

Health Mission through PPP mode

* Section 80JJAA of the Income Tax Act - Deduction of an amount equal to 30% of additional wages paid to the new regular workmen employed by theCompanies is now available to all assesses.

INFRASTRUCTURE AND INVESTMENT

* To approve nearly 10,000 Kms of National Highways in 2016-17.

FINANCIAL SECTOR REFORMS

* Allocation of ` 25,000 Crores towards recapitalisation of Public SectorBanks.
* Introduce DBT on pilot basis for fertilizer.

TOURISM

“Ek Bharat Shreshtha Bharat”programme will be launched to link States and Districts in an annual programme that connects people through exchanges in areas of language, trade, culture, travel and tourism.

RELIEF TO SMALL IINCOME TAX PAYERS

* Tax rebate under section 87A raised from Rs. 2000 to Rs. 5000 to lessen tax burden on individuals with income up to Rs. 5 lakhs.
* Limit of deduction of rent paid under section 80GG raised from Rs. 24000 per annum to `60000, to provide relief to those who live in rented houses.

CORPORATE TAX

* Corporate tax rate lowered to 29% for the next financial year for relatively small enterprises- Companies with turnover not exceeding ` 5 Crores (In the financial year ending March 2015) for the next financial year (2016-17).
* New manufacturing companies incorporated on or after 1.3.2016 given an option to be taxed at 25% + surcharge and cess if they do not claim profit linked or investment linked deductions and do not avail investment allowance and accelerated depreciation.
* Period for getting benefit of long term capital gain for unlisted companies proposed to be reduced from 3 Year to 3 years.
* Non-banking financial companies eligible for deduction to the of 5% of its income in respect of provision for bad and doubtful debts.
* In case of superannuation funds, recognized provident funds, including EPF, the 40% of corpus to be tax free at the time of retirement to be tax of corpus created out of contributions made on or from 1.4.2016.
* Mandatory for the assessing officer to grant stay of demand if the assesse pays 15% of the disputed demand during pending of appeal before Commissioner of Income-tax (Appeals).

INDIRECT TAX
\* Services provided by EPFO exempted from service tax
\* STT of 0.05% on options contracts
\* Service tax waiver for Builders for houses of less than 60 Sq. Mts (645.835 Sq. Feet)
\* Excise duty exemption to ready-mix concrete mixers.
\* To abolish 13 cesses by ministries
\* To amend Central Value Added Tax credit rules
\* No retrospective taxation to be undertaken
\* One time no-interest liability in retrospective tax cases.
\* To up excise duty on various tobacco products by 10-15%
\* Infra cess of 2% on diesel cars.
\*Infra Cess of 4% on high capacity vehicles, SUVs
\*To levy 1% infra cess on small petrol, LPG, CNG cars.

INFLATATION:
\* CPI came down to 5.4% in the NDA Government providing big relief to public.

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