



Key Highlights of Union Budget 2018 - GK Notes for Banking & SSC in PDF!

Finance Minister Shri Arun Jaitley presents general Budget 2018-19 in Parliament. As per the Finance Ministry, India is a Rs. 2.5 trillion economy. This is the first budget after big-ticket economic reforms like the Goods and Services Tax, dynamic fuel pricing, mega PSU bank recapitalisation and more. The following article will throw major light on the Union Budget 2018 & major points like the National Health Mission, Railway University, Fiscal Deficit Target, Women & EPF Scheme, Tax Slabs, Jobs for Engineers, Relaxation for Senior Citizen, Emoluments of MP & more!

India is growing: When our government took over, India was considered one of the fragile five. We have successfully reversed this. India now stands among the fastest-growing economies in the world

The government aims for 2018-19's fiscal deficit target of 3.3 percent of GDP. Revised fiscal deficit for 2017-18 was Rs 5.95 lakh crore or 3.5 percent of GDP

GST in Union Budget 2018

- GST revenue will be collected for 11 months
- **Rs 21.57 lakh crore** transferred in the form of net GST against the predicted Rs 21.47 lakh

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Railways in Union Budget 2018

- Total **capital expenditure** for Indian Railways set at Rs 1, 48, 528 crores.
- A **Special Railway University** will also be set up in Vadodara, Gujarat.
- In order to cut travel times and delays, the FM proposed cutting 4,267 unmanned railway crossings.
- In a bid to overhaul the railway stations' infrastructure, all station that have a footfall of 25,000 passengers will now have escalators.
- To provide connectivity on the go, all trains will soon be equipped with CCTVs and Wi-Fi.
- Allocations for Mumbai rail network was pegged at Rs 11,000 crore and for Bengaluru Metro, Rs 17,000 crore was allocated.

Agriculture & Allied Sectors and Rural Development in Union Budget 2018

- Minimum support price **(MSP)** for all upcoming Kharif crops has been raised to 1.5 times the cost of production
- Agricultural market and infra fund of with corpus of Rs 2,000 will be created for 22,000 gramin agricultural markets and 585 **APMCs**
- Allocation for Food Processing Ministry has been doubled
- **Operation Green** will produce farmer producer organisation, logistics, warehousing etc. allocation of Rs 500 crore
- Export of agricultural commodity has been liberalized to meet India's agricultural exports potential of \$100 billion.
- A restructured **National Bamboo Mission** with corpus of Rs 1,290 crore will be set up. Rs 10,000 crore are allocated to set up two funds to promote fisheries and animal husbandry







- In a big-ticket announcement, the FM proposed Rs 11 lakh crore for credit for farm sector. He also announced a special scheme to manage crop residue.
- 200 crore for organic farming sector

Health & Social Security in Union Budget 2018

- Government to set up 1.5 lakh centres under Aayushman Bharat
 Programme to provide health facilities with an allocation of Rs 1,200 crore
- As many as 10 crore people to get **Rs 5 lakh Health Coverage** for hospitalization every year
- Allocation of Rs 600 crore has been proposed for **Tuberculosis** patients who are undergoing treatment
- Gas connections will now be provided to 8 crore poor women
- Government has set a target to construct at least 2 crore toilets under Swachh Bharat Mission
- Comprehensive social security program National social assistance program over Rs 9,000 crore
- A fund for social security and protection of widows and orphaned children is to be set up
- Set up at least one medical college for every three parliamentary constituencies

Education in Union Budget 2018

- Allocation of Rs 1 lakh crore has been proposed for revitalizing and upgrading education sector
- Education in country to be treated without segmentation from KG till class 12.
- Aim to move from black board to digital board with push for digital technology and e-education

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- By 2022, every block with over 20,000 tribals and over 50 per cent STs will have a special **Eklavya school**
- Government proposes establishment of two new Schools of Planning and Infrastructure.
- To address brain drain issue in country, a new scheme to identify bright students studying B Tech in top engineering schools and allow them opportunity to study and do research in IITs and Indian Institute of Science.
- Selected students to get special fellowships and will be expected to teach in institutes of higher education, particularly in rural areas
- An **integrated B.Ed. programme** for teachers for improving quality of teachers and education

Employment in Union Budget 2018

- Government pledges contribution of 12 per cent in wages of new employees in all sectors for the upcoming 3 years under **EPF** scheme.
- Women contribution to EPF slashed for initial three years to 8 per cent.

Industry in Union Budget 2018

- Mass formalization of **MSME industry** after GST and demonetisation.
- Allocation of Rs 3,794 crore capital support and industry subsidy by 2022 for the MSME sector.
- The finance minister said Rs 4.6 lakh crore was sanctioned under Mudra Yojana.
- Consumers get relief with excise cut on fuel.
- Excise on unbranded diesel was cut by Rs 2 to Rs 6.33 per litre and the same deduction was given from unbranded petrol top Rs 4.48 per litre.







Ease of Living in Union Budget 2018

- For boosting livelihood opportunities and private enterprise, target for loans to self-help group for women has been increased to Rs 75,000 crore.
- Allocation to National Livelihood Mission set at Rs 5,750 crore

Real Estate Sector in Union Budget 2018

- Under Housing for All by 2022 and **PM Awas Yojana** (rural), 51 lakh affordable housing units constructed in rural and 50 lakh in urban areas
- A total allocation of Rs 14.34 lakh crore from extra and non-budgetary resources has been estimated for housing, infrastructure and livelihood in rural areas
- There is a requirement of Rs 50 lakh crore for the infrastructure sector. He said that construction of a new tunnel at **Sera Pass** will also work in promoting tourism. A total 10 prominent tourist sites will be upgraded as iconic tourist destinations.
- In the flagship **Bharatmala project** that aims to connect India's eastern and western ends with a 35,000 km highway and roads network, an outlay was announced to the tune of Rs 5.35 lakh crore under phase 1. For toll payments on highways, he said that the government will introduce a new system called **"pay as you use"**.

Technology and IT Sector 2018

• An allocation of Rs 3,073 crore was done for Digital India scheme.

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• As many as **5 lakh Wi-Fi hotspots** will be installed to give access of broadband services to 5 crore rural citizens. An allocation of Rs 10,000 crore was proposed for the same.









Government will now explore the usage of **Blockchain technology** but it will also take steps to **prohibit circulation of Crypto Currencies** as they are not classified as legal tenders as of now.

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Taxation in Union Budget 2018

- The government proposes no change in personal income tax rates for salaried class. There has been a 12.6% growth in direct taxes in 2017-18; 18.7% growth in indirect taxes in 2017-18.
- As many as 85.51 lakh new taxpayers filed their tax returns in 2017-18, as against 66.26 lakhs in 2016-17. The number has increased from 6.47 crore in 2016-17 to 8.27 crore by end of 2017.
- The FM proposed liberalisation of presumptive income schemes for small businesses with income below Rs 2 crore, similar schemes for professionals with income below Rs 50 lakh. Rs 90,000 crore additional income tax collection was seen in 2016-17 and 2017-18.
- **Corporate Tax has been reduced** from 30 percent to 25 per cent for companies with turnover up to Rs 250 crore, move to boost MSME sector.
- The finance minister has proposed revision in monthly emoluments of President of India at Rs 5 lakh, Rs 4 lakh for vice president and Rs 3.5 lakh for governors.
- **Standard deduction** of Rs 40,000 for salaried taxpayers was announced. In terms of capital gains tax, long-term capital gains are proposed to be taxed at 10 per cent on investments over Rs 1 lakh. Short term capital gains tax to remain unchanged at 15 per cent.
- For senior citizens, the FM proposed exemption of interest income on bank deposits raised to Rs 50,000 for **Senior Citizens** as well as exemption of Rs 10,000 on income from Bank FDs and post offices. The budget proposes 10 per cent tax on distributed income by equity-oriented mutual funds as well as 100 per cent deductions for cooperative societies.

MONTH

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• In terms of revenue loss, the FM said Rs 8,000 crore revenue was lost due to standard deductions for salaried employees. Also, Rs 7,000 crore forgone due to lower corporate tax on firms with turnover not exceeding Rs 250 crore. Rs 19,000 crore was lost last fiscal in terms of revenue from direct taxes.

Banks in Union Budget 2018

- **Mudra Yojana** lending target has been set at Rs 3 lakh crore.
- Aim to bring 60 crore bank accounts under **Jan Dhan Yojana**.
- PM Jivan Bima Yojana gave benefits to 5.22 crore families
- Under Jan Dhan Yojana, the entire lot of 16 crore accounts will be brought under micro insurance and pension plans.
- 26 crore bank accounts opened under the Sukanya Samriddhi Scheme.
- Allocation of Rs. 52,719 crore for social inclusion of scheduled castes is proposed in the budget.

Energy in Union Budget 2018

• Rs 16,000 crore for **PM Saubhagya Yojana** was allocated for connecting 4 crore households with free electricity

Defense in Union Budget 2018

- The total outlay for defence in budget 2018 is Rs 2.95 lakh crore
- Emphasis was given on modernization and enhancement of operational capabilities of the armed forces.

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- Government will bring a new **industry-friendly defence production policy** 2018 for giving a boost to domestic production for private sector, public sector as well as MSMEs.
- Jaitley said that the government will take measures to develop two defence industrial production corridors.

Miscellaneous in Union Budget 2018

- The **food subsidy** has been increased for the from Rs 1.4 lakh crore in 2017-18 to Rs 1.69 lakh crore in 2018-19.
- To commemorate the **150th birth anniversary of Mahatma Gandhi**, Rs 150 crore has been set aside.

We see that majority of the Union Budget 2018 predictions were right. Check out **LIVE Discussion** on **Union Budget 2018 Analysis** with our Experts.

Read about the Major Predictions for the Union Budget 2018 soon after the Economic Survey was released.

Union Budget of India 2018-19 Predictions!

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