

SALIENT FEATURES OF UNION BUDGET- 2016

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KEY TAKEAWAYS

Global economy is under serious crisis and in trap of turbulence – financial crunching, currency crisis, market volatility, and adverse trade cycle and many other chronics challenges has growing the burden mounting up. In past 2 decades. To control these hindrances and to cure from this economy illness now the time has come that India must strengthen & to prepare a risk protection firewalls. In this direction, the current budget 2016 to rely on increasing the domestic demand ensuring substantial growth and many reformative approach taken for sustainability to continue ahead.

The budget 2016-17 is focus on close cooperation to overcome the global challenges for stimulating lead to growth survival. Budget 16-17 is display talented traits boosting consumption, investment and subsequently taken strong step on market driven forces- Supply and demand to follow the constructive reform in introducing a long-term planning under responsive budgetary allocation head wise allocation and distribution.

INTRODUCTION

The **Union Budget of India** referred the *Annual financial statement* in the Article 112 of the Constitution of India or the *Annual budget to the Republic of India* that has presented in each year on the last working day of February in Parliament by the Finance Minister. The budget, is by means of *the financial bill*, the *Appropriation bill* and has to be passed by the both Houses – *Upper house and Lower house* before come into effect on 1st April to start in every financial year publically.

The word called as *Interim Budget* which deals only the expenditure side of the government's. This is a complete set of accounts - both expenditure and receipts - Financial Statements. It is similar to a full Budget rather the *Vote on Account* by the central government. The difference that law does not debar the Union government from introducing tax changes normally during an election year by successive government. It necessary to avoided for making in major changes in **Income Tax Laws** Revenues heads during **Interim Budget**.

The Terminology **Halwa Ceremony** is started in the process of printing of **Budget documents** roughly a week ahead presenting in the Parliament as with a customary quorum. A Sweet Dish prepared in a large quantity and to serve to the officers and involved staff in North Block office that has to stay and also isolated remain staff until the Budget presented by the Finance Minister. The '**Halwa** - a sweet dish Ceremony performed as a part of the Indian tradition of having something **sweet** before starting an important work for grand success called - **Halwa Ceremony** in presence of Finance minister that has distributed by them. .

SALIENT FEATURES

- The thrust given on farming & social sector growth for combating the agrarian problem such as - reducing debt burden, comprehensive crops insurance policy etc a milestone in agro sector. Bringing back MGNREGS/ MNREGA allocating Rs 38,500 crore relief in social sectors to stepping down man days losses in villagers' under providing food for work purposely appreciated. The government is committed to building a better tomorrow in introducing a new innovative measures to speed up prosperity with peace is excellence.
- Growth with social justice restoration in a significant time, many step taken as- reducing regional disparity, imbalances rural economy sector neglected that has seen lack behinds in past many decades. But now reformative approaches in this budget are remarked by all. Re invented policy mission back ensuring that all benefits - subsidies etc must be reach to the genuine beneficiaries giving a statutory status by **Aadhaar platform** recognized. To plug the gap or leakage disbursing the subsidy – i. e. fertilizer subsidy, LPG etc will be transferred on DBT basis, eliminating the misuse and to be save subsidy a bill provision that has made for this purpose acknowledged
- Penetrated on rural economy growth has observed that agro sector having a potential. This sectors need to explore effectively for the balanced growth in economy. Raw material or resources are abundance and this sector is wealth creating opportunity and it shall not be neglected. Needless to seen there is a big transformation approach in the policy as far as rural development is concerned was implemented. Secondly, Agriculture and farmers welfare expenditure that has estimated and targeted doubling a farmer income in five years through it. Dedicated long term irrigation fund with 20,000 crore at NABARD, launching a *Unified Agriculture Market Scheme*, a *Common e-market platform*, *APMC acts Enactments*, *e- procurement & online promoted via FCI* with extending a *Digital literacy* to an additional allocation of Rs. 6 crores in rural households stimulating the overall development.
- Un- surpassable constraints & critical crisis impact in these sectors, the rural economy were in doldrums and really extending this serene to solace by budgetary allocation with huge infusion of funds, definitely it push up accelerated growth in entire economy. A long-standing agriculturist demand - to fix MSP for agro - commercial crops value – pricing, food processing agro based industries items - agro products prices attention in this budget and the planning for buying the same and has been met to agrarian needs to grow to stand up or startup.
- Similarly, this Budget has tried to take forward credit in trade & commerce towards marketing aspects enhancing the agriculturist ingredients wise income. Strategically, it may be a preparatory step to see in four states' upcoming elections or whatsoever the reason and circumstances. But budgetary allocation and responsiveness, a transformation process in view of agricultural crisis and constraints ameliorating. Briefly, spelt out in the economic survey 2014-15, is being implemented through its, and eventually this will be a connecting pave the way for agriculture growth and a room for improvement.
- A powerful strategically driven modules and implemented solution - growth revival by this budget is a booster dose for healthy economy and global village dream under global giving opportunity. Through its, Untapped and scarce resources to be explore to the wealthy nation and lastly become prosperous.
- Amplifying the provision for investment in infrastructure growth & project expansion - railways, road transportation & others prominent core sectors remain will lead to strong national growth. Infrastructure development to get total outlay of Rs 2, 21,246 crore of this, budget allocation of Rs 55,000 crore to be spent on roads, to be topped up with Rs 15,000 crore that NHAI will raise via bonds for road development connectivity to metro or big cities will be beneficial to commuters.
- Retail trade is the largest employer in this country for a small and medium shop keeper should be given a choice to stay open on all seven days of the week a lubricating the purchasing power to customers.
- Passenger traffic management to get a boost up a Government will enact necessary rules to open up the road transport sector to private entrepreneurs, who will be able to run fleets of buses under rules will reduce the road congestion.

- Govt. has started a series of measures to modernize ports and related infrastructure that planning to roll out new Greenfield ports. India is blessed with rich natural resources - oil and natural gas. Discovery and production has been below potential under this approach, there is a situation of rising demand, stagnant production and therefore rise in imports barrier shall be removed.
- In civil aviation sector, an action plan in the works for revival of un-served and under-served airports indicative cost of 50-100 crore rupees in partnership with state government's created tourist places connectivity to attract foreign exchange a realistic approach. Every new project will have a sunset time frame and an outcomes review in this budget.
- A government has incentivized *deep-sea exploration*. A public utility dispute resolution framework recognized. A New credit rating system to get stalled projects back on track. *Department of Dis-investment renamed Department of Investment* and Asset Management removing the ambiguity. As a 33 lakh small businesses currently benefiting from presumptive tax within limit of Rs 1 crore and has extended limit to be raised to Rs 2 crore, a Tax breaks on income from patents under a patents regime introduced productive.
- The fiscal deficit targets have been retained at 3.5 percent and 3.9 percent for 2015-16 & 2016-17 Plans and non-plan classification is a stepping stone as shown. Overleveraged trap fallen through MUDRA or micro financing – crowd funding- angle funding – loan etc a little change late, but cutting a wasteful subsidies expected a key driver to startup and stand up..
- Other measures of the Fiscal aspects - Exemption of Income Tax – Rebate- Allowances under saving, investment - expenses limit are remodeling are country growth favorable. In real estate business for the housing loan, first-time home buyers to get an additional tax break of Rs 50,000 extra. Reducing the multiplicity of taxes and cascading 13 taxes with collections of less than Rs. 50 crore a year has abolished relevant as on days. The Income tax department will expand *e- sahyog* to assist small taxpayers' hassle free to file the ITR. The scope of *e-assessment self* is expanded in seven mega cities to simplify compliance for taxpayers become easy. Taxation proposals to increase government revenue by Rs.19, 610 crore satisfactory revenue collection desirable.
- Dividend distribution tax, a 10 % additional tax on dividend income beyond Rs 10 lakh. The government will pay the employees' pension fund contribution for the first three years of employment for all new employees. Scheme applicable to people earning 15,000 rupees a month or less is quite satisfactory and effective.
- The option is option is open for penalty and rebate in terms of undisclosed income – black money a penalty to be 50 percent of tax in income *under-reporting cases* & 200 percent in misreporting of facts and Tax arrears can be paid in lieu of interest liabilities in retrospective taxation cases has introduced. *Tax evasion* to be countered strongly. *Domestic income tax transgressors* will be allowed to pay up onetime tax on undeclared income. To become easy a *Limited Tax compliance window* from June to September 30 for declaring undisclosed income at 45 percent including surcharge and penalties are welcome. The Income Tax Scrutiny becomes easier.
- The NSDC- multi skill development centre and higher education – research and development centre-science and technology support . The budgetary support Rs 1,700 crore set aside for 1,500 *Skill Development* with creation of a Rs 1,000 crore for higher education fund creation for digital repository is excellence in budget – 2016 reviewed and enhanced. The respective *Stand up and versus startups* for youth scheme are an supportive tools and encouragement favoring to new entrepreneurs *versus* intra -preneuers will built a powerful nation in globe. The Startups to get 100 percent tax breaks for three years and Capital gains will not be taxed, as spelt out in the *Startup Action plan* is appreciated.
- The SC/ST men or women or gender respect and empowerment & entrepreneurship proposal are ample opportunity to explore the potential generate employment then searching employment gross beneficial to all.

- Committed to develop ten world-class institutions by PPP re invented an innovative leverage could be facilitate a pace for development to the centers of excellence. It play a catalytic role in rejuvenation of quality consciousness of higher educational system integrated with re - engineering & re- discovery about how to people will work together – SABKA SATH – SABKA VIKAS. All previously contentious issues and controversial items have removed.
- In the monetary aspect the allocation of Rs 25,000 to the banking sector support in terms of liquidity will lubricate the smoothly run the trade and business to countering the world economy challenges. 25,000 crore rupees recapitalization of public sector banks to revive the industry and accordingly the Govt. has stand "solidly" behind public sector banks to support. *Debt Recovery Tribunal* to be strengthened against *NPA* with Tech-know-how. Massive nationwide rollout of ATMs and micro-ATMs for digital money mobility & transaction in transparent way under - RTGS or ETFS hassle free.
- A comprehensive code on the resolution of financial sector bankruptcies. A financial data management centre will be set up to redress the grievances and lastly, NBFCs can claim 5 percent deductions against bad loans.
- The RBI role to facilitate in a greater participation in the primary markets and suitable measures to deepen the *Bond Market* to the retail investors. *Asset Reconstruction Companies ARCs* to be strengthened in capital market. SEBI Act has amended to include more members in the *Securities Appellate Tribunal* eradicating disputes & check the fraudulences in securities trading.

REACTIONS

1. The government is committed to ensuring the passage of the GST bill to benefits of the country where the all sectors covered and to be taxed under service tax to further increase the 0.5% Service Tax, is increased a contra issues. Service Tax Exemptions on small houses is just eyewash - for instance, 322.8 sq. ft. in metros and 645.60 sq. ft. in non-metros is eye wash shall be enhanced.
2. Nothing has been done to address the menacing recession. Almost all announcements on Taxes will be counter-productive to this cause if not to take seriously.
3. Additional Taxes imposed upon Vehicles ranging from 1 to 4% in a subdued market will further depress the sales or business turnover. Require & review.
4. There would be hardly any takers for the Settlement of Income Tax disputes pending in Appeal many tax payers have witnessed the same in the One Time Settlement Scheme for VAT is a dubious.
5. Excise Duty levied on Jewelers, lots of heart burn to take place and a controversial as rethink about it.

CONCLUSION

The ranked the Union Budget 6 on a 10 scale. It was slightly tilted in favor of the government. Government is dedicated to rural economy, digitalization, simplification, infrastructure, and something for the small and medium-scale entrepreneurs.

The finance minister has just continued the policies stressing upon to take over the finance portfolio. But still have the scope to take action in many sectors and sections such as infrastructure development, improvement of tax administration imposing- rebate- allowances deduction, saving- investment schemes, fund flow etc.

Links and references-

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