



KEY HIGHLIGHTS OF UNION BUDGET 2016

RURAL DEVELOPMENT

- * To allot 190 billion rupees FY17 for PM Gram Sadak Yojana.
- * To spend 270 billion rupee with states FY17 on rural roads plan.
- * To launch new panchayat scheme at 6.5 billion rupees.
- * To allot 877.65 billion rupees for rural development schemes.
- * To allot 20 billion rupees for LPG connection to rural women.

HEALTHCARE

- * To start National Dialysis Service under PPP mode.
- * To exempt certain dialysis equipment from basic custom duty.
- * Health protection scheme with 100,000 rupee/family cover.
- * 3000 drug stores to be opened under PM Aushadhi Yojana.
- * To provide 130,000 rupee/yr health cover to senior citizens.
- * To launch new health protection scheme.

INFRASTRUCTURE, INDUSTRY

- * Propose to circulate model shops and establishments bill.
- * To give choice to shops to remain open on 7 days/week.
- * 10,000 km of national highways to be added FY17.
- * Total outlay for infra 2.21 trillion rupees FY17.
- * Total outlay for roads, railway 2.18 trillion rupees FY17.
- * Total investment in road sector 970 billion rupees.
- * NHAI to raise 150 billion rupees via bonds FY17.
- * Allot 550 billion rupees for roads, highways FY17.
- * 85% of 70 stranded road projects back on track FY16.
- * To allot 550 billion rupees for roads, highways.
- * India's highest ever kilometre of highways awarded in 2015.
- * 30 billion rupees/yr to augment nuclear power in 15-20 yrs.
- * Market freedom for gas from difficult blocks to have price cap.
- * Mull calibrated market freedom for gas from difficult blocks.
- * Need to diversify resources for power generation.
- * Drawing up comprehensive plan on nuclear power.
- * To incentivise ultra-deep sea gas exploration.
- * Achieved highest coal production growth.
- * To provide incentives for gas production from tough blocks.

- * 10 non-functional air strips to be redeveloped.
- * To partner with state governments to develop airports.
- * Started series of measures for modernising ports.
- * To partner with states to develop regional airports.
- * Medium-term goal is to abolish permit raj.
- * Plan new public transport policy to up private participation.
- * FY17 allocation for new port development 8 billion rupees.
- * Motor Vehicles Act to be amended to up passenger segment.
- * New Greenfield ports to be developed on east, west coasts.
- * Govt to open up road transport sector.
- * 50,000 km state highways to be converted to national highways.
- * FY17 total infrastructure outlay 2.21 trillion rupees.
- * To have new policy for management of assets of PSUs.
- * NITI Aayog to identify PSUs for strategic sale.
- * To encourage PSUs to divest individual assets.
- * 100% FDI in marketing of food products produced in India.
- * To have more FDI reforms in asset restructuring companies.
- * To change FDI policy for asset reconstructions companies.
- * To modify FDI policy for bourses, asset recast companies.
- * Duty drawback schemes to be widened, deepened.
- * Have deepened, expanded duty drawback scheme.
- * More FDI reforms in insurance, stock exchanges, pension.
- * To modify FDI policy for insurance, pension sectors.
- * FDI policy to address requirements of farmers.
- * To allow mobilisation of 313 billion rupee by govt infra bodies.
- * Mulling gas production incentive from high temperature area.
- * May incentivise gas production from ultra deep water areas.
- * Mulling incentives for gas production from deep sea areas.
- * New credit rating system for infra to be developed.
- * To issue guidelines for renegotiation of PPP contracts.
- * Received conflicting suggestions on FRBM roadmap.
- * To amend Companies Act for ease of doing business.
- * Will amend companies act this Parliament session.
- * Registration of companies to be done in one day.
- * 300,000 fair price shops to be automated by Mar 2017

FINANCIAL SECTOR, BANKING

- * Banking Board bureau to be operational in FY17.
- * To strengthen debt recovery tribunal.
- * Considering cutting stake in IDBI Bank to below 50%.
- * Stand solidly behind PSU banks.
- * To find resources if PSU banks need additional capital.
- * Allot 250 billion rupees for recapitalisation of PSU banks FY17.
- * Not interfering in lending activities of PSU banks.
- * To amend SEBI act to provide for more SAT benches.
- * To bring legislation FY17 on illicit deposit taking schemes.
- * Sponsor in asset recast companies can hold 100% stake
- * Financial Data Management Centre to be established
- * To allow 100% FDI in asset recast companies
- * To make necessary amendments in SARFASI Act.
- * Bankruptcy code to help deepen corporate bond market.
- * SEBI to develop new commodity derivative products.
- * To adopt comprehensive approach for invest in central PSUs.
- * To introduce comprehensive Bankruptcy Code in Parliament.
- * To rename divest dept as Dept of Invest & Public Asset Mgmt.
- * To amend RBI Act to implement monetary policy framework.
- * PM Mudra Yojana target to give 1.8 trillion rupees loans FY17.
- * To draw road for consolidation of PSU banks.
- * Banking board bureau to be operationalized in FY17
- * To take up massive rollout of micro-ATMs across nation.
- * To list govt-owned general insurance companies on stock exchanges.
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- * To set up panel to review FRBM Act.
- * Time has come to review FRBM Act.
- * Propose to set up committee to review FRBM Act.
- * Govt open to reducing its stake in PSU banks below 50%.
- * Consolidation roadmap for PSU banks next year.

INDIRECT TAX

- * Propose changes in customs duty to push Make in India plan.
- * Exempt service tax on general insurance plans in Nirmaya scheme.
- * Committed to implementing GAAR from Apr 1, 2017.
- * Asset recast companies' income to be taxed at hands of investors.
- * Propose special patent regime to power innovation, research.
- * Services provided by EPFO exempted from service tax.
- * STT of 0.05% on options contracts.
- * Service tax waiver for houses of less than 60 sq mtr.
- * Service Tax exempt for service under rural electrification plan
- * To give excise duty exemption to ready-mix concrete.
- * Excise of 12.5% with input tax credit on jewellery.
- * To abolish 13 cesses by ministries.
- * To amend Central Value Added Tax credit rules.
- * To amend CENVAT credit rules.
- * Taxation panel to fix demand under retrospective tax cases.
- * Hope old cases on retrospective tax reach conclusion soon.
- * No retrospective taxation to be undertaken.
- * 1-time no-interest liability in retrospective tax cases.
- * To up excise duty on various tobacco products by 10-15%.
- * Companies incorporated post Mar 1 to be taxed at 25%+ surcharge.
- * Doubles clean energy cess on coal to 400 rupees/tn.
- * To up excise duty on some tobacco products by 10-15%.
- * Infra cess of 2% on diesel cars.
- * 4% infra cess on high capacity vehicles, SUVs.
- * To levy 1% infra cess on small petrol, LPG, CNG cars.

DIRECT TAX

- * To Plan simplification, rationalisation of taxes.
- * Tax rebate on rent paid upped to 60,000 rupees v/s 24,000.
- * Tax changes to support Make in India, affordable housing.
- * To give relief to small taxpayers.
- * To launch steps to move towards pension society.
- * To give relief to small tax payers.
- * Withdrawal upto 40% from Natl Pension plan to be tax exempt.
- * To allow lower corporate tax for some companies from FY17.
- * Reduction in corporate tax has to be calibrated.
- * Faster depreciation rate under income tax act at 40% FY17.
- * Detailing roadmap for phasing out corporate tax exemption.
- * Propose 0.5% Krishi Kalyan cess on all taxable services Jun 1.
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- * To raise surcharge on income over 10 million rupees to 15%.
- * 10% tax on recipient if got dividend over 1 million rupees/yr.
- * No changes in income tax slabs.
- * To rationalize tax deducted at source for small tax payers.
- * Penalty of 200% of tax for misreporting of income.
- * Penalty of 50% of tax for under-reporting of income.
- * Penalty to be 50% of tax in income under-reporting cases.
- * Modifying scheme of penalty under Income Tax Act.
- * Committed to stable, predictable taxation regime.

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