

Opinions on the Budget for FY (2016-17) of the Merchants' Chamber of Uttar Pradesh is as below:

- No exemption limits of Service Tax, Excise and Income tax have been enhanced.
- In general this budget is growth oriented.
- This is the first time any Finance Minister has been taken such steps and made department accountable.

The positives points are listed below:

- Penalty to be 50% of tax in income under-reporting cases, 200% in misreporting of facts
- No Service Tax for houses built under 60 square metres.
- Excise duty on tobacco increased by 10-15 per cent. Krishi Kalyan Cess of 0.5% on all taxable services.
- Surcharge on income tax for those with incomes exceeding 1 crore per annum increases from 12% to 15%
- Committed to stable taxation regime. No more retrospective amendments.
- Limited compliance window for domestic tax payers who have undeclared income.
- Ceiling of tax rebate for tax payers with up to Rs 5 lakh annual come to be raised to Rs 5000 from Rs 2000 currently
- Infrastructure cess to be levied.
- 40% of corpus at the time of retirement under National Pension Scheme to be tax exempt.
- Lowering of Corporate IT rate for companies not exceeding Rs. 5 crore turnover to 25% plus surcharge
- Ceiling under 87A to be increased to Rs. 3,000.
- Fiscal deficit at 3.5% of GDP in 2016-17.
- Amendment to the Companies Act to ensure speedy registration and boost start-ups.
- Rs. 25,000 crore for recapitalisation of public sector banks. General insurance companies owned by the govt to be listed in stock exchanges
- There are 160 airports and airstrips which can be revived
- Rs. 97,000 crore for all roads. Total outlay on roads and rails will be Rs. 2.80 lakh crore. 10,000 km of national highways in 2016-17 and 50,000 km state highways to be converted to NH roads
- Small shops should be given the choice to remain open on all 7 days a week.
- Government to provide health insurance of up to Rs. 1 lakh per family; top up of Rs. 35,000 for people above 60 years. 3,000 stores to be opened for generic drugs.

The highlights of this budget:

- Rs. 1,060 crore revenue loss through direct tax proposals.
- 13 different cesses levied by various ministries with collections less than Rs.50 crore a year to be done away with.
- 4% high capacity tax for SUVs.
- No changes have been made to existing income tax slabs:
- Service tax exempted for general insurance schemes under Niramayi Swasthya Bima Yojana
- Corporate income tax: Incentives for new manufacturing companies and relatively small enterprise companies
- Relief to those in rented houses: deduction raised from 24,000 to 60,000 Rs. under Section 88G
- A National Dialysis Services Program will be introduced under National Health Mission
- 1 per cent service charge on purchase of luxury cars over Rs. 10 lakh and in-cash purchase of goods and services over Rs. 2 lakh.
- Additional exemption of Rs. 50,000 for housing loans up to Rs. 35 lakh, provided cost of house is not above Rs. 50 lakh.
- Tax holiday for start-ups for three of five years of setting up the .
- Rs. 100 crore for Deendayal Upadhyay's birthday celebrations and Guru Gobind Singh 300th birth anniversary.
- Classification of expenditure as plan and non-plan to be done away with.
- A bill on targeted delivery of financial services using Aadhar to be introduced.
- Rs. 900 crore for buffer stock of pulses.
- Dept of Disinvestment renamed as Dept of Investment and Public Asset Management.
- Direct Benefit Transfer for fertilisers.
- EPF at 8.33 per cent for new employees joining the scheme. Rs 1,000 crore allocated for new EPF (Employees' Provident Fund) scheme.
- Amendments to boost Asset Reconstruction Companies to manage NPAs of public sector banks.
- RBI Act to be amended to set up monetary policy committee.
- 100% FDI through FAPB route in marketing of food products produced and manufactured in India.
- In the power sector, the govt is drawing up a plan for 15-20 years to augment investment in nuclear power. Rs. 3,000 crore per annum for this..

- Motor Vehicles Act to be amended to enable entrepreneurship in the road transport sector.
- Total outlay for infrastructure is at Rs. 2.31 lakh crore..
- More than 70,000 road projects were languishing at the beginning of the year. Nearly 85% of these projects have been put back on track.
- Rs. 1,700 crore for 1500 multi-skill development centres.
- Public Utility Resolution of Disputes Bill for resolution of disputes in infra sector
- 10 public and 10 private educational institutions to be made world-class. Digital repository for all school leaving certificates and diplomas. Rs. 1,000 crore for higher education financing. Rs. 1000 crores set aside for higher education financing
- Objective to skill 1 crore youth in the next 3 years under the PM Kaushal Vikas Yojna
- Hub to support SC/ST entrepreneurs.
- National dialysis service programme under PPP model. LPG connection for women members of rural homes.
- A national careers service was launched in July 2015. We propose to make 100 model career centres operational by end of 2016
- Senior citizens will get additional healthcare cover of Rs 30,000 under the new scheme.
- Total rural sector allocation Rs. 87,769 crore.
- Two schemes for digital literacy for rural India to cover 6 crore households in the next three years.
- 3000 crore rupees earmarked for nuclear power generation
- Rs. 9,000 crore for Swachch Bharat Abhiyan.
- Rs. 2000 crores set aside for massive mission to be launched to provide LPG connections to BPL households
- Govt is committed to achieve 100% village electrification by 1st May 2018
- 5,542 villages have been electrified, more than the last three years combined.
- 19000 crore rupees allotted for Pradhanmantri Gram Sadak Yojna: Finance Minister
- Rs. 38,500 crore for MNREGA. Highest ever for the rural employment scheme.
- Rs. 2.87 lakh crore for gram panchayats as per recommendation of 14th finance commission.
- Four schemes for animal welfare.
- Agricultural credit target of Rs. 9 lakh crore. Govt to allocate Rs 5,500 crore for crop insurance scheme.

- Unified e-platform for farmers to be inaugurated on Ambedkar's birthday.
- Paramparagat Krishi Vikas Yojana to bring 5 lakh acres under organic farming.
- 28.5 lakh hectares to be brought under irrigation.
- Govt will reorganise agricultural policy to double farmer income in five years.
- Agriculture and farmers' welfare, rural sector, social sector including healthcare, education, skills and job creation, infrastructure, financial sector reforms, ease of doing business, fiscal discipline, tax reforms to reduce compliance burden. Aim to double the income of farmers in five years. Rs. 35,984 crores total allocation for farmers' welfare
- New scheme for BPL families for gas connections. Statutory backing for Aadhaar platform to ensure delivery of benefits.
- Govt. has to prioritize expenditure. Focus on the rural and social sectors, infrastructure and recapitalization of banks
- CAD is 1.4% of GDP.
- FY 16-17 will have the additional burden of implementing the VII pay commission and the defence OROP.
- FY 15-16 and 16-17 will be challenging for the government.
- Growth of GDP has accelerated to 7.6% .CPI inflation has declined to 5.4%
- Forex reserves are at the highest ever levels — \$350 billion.
- GDP growth has accelerated to 7.6%. CPI inflation has come down to 5.4%. from 9 plus, bringing big relief to the public:

Regards

Merchants' Chamber of Uttar Pradesh