UNION BUDGET

2018 -19

IMPACT ANALYSIS

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CONTENTS

BUDGET AT A GLANCE

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates
1) Revenue Receipts	**15,054**	**17,257**
1.1) Tax Revenue (net to centre)	12,695	14,806
1.2) Non-Tax Revenue	2,360	2,451
2) Capital Receipts (2.1+2.2+2.3)**	**7,123**	**7,165**
2.1) Recoveries of loans	175	122
2.2) Other receipts	1,000	800
2.3) Borrowings and other liabilities*	5,948	6,243
3) Total Receipts (1+2)	**22,178**	**24,422**
4) Total Expenditure (4.1+4.4)	**22,178**	**24,422**
4.1) On Revenue Account	19,443	21,418
4.2) Of which, Interest Payments	5,308	5,758
4.3) Grants in Aid for creation of capital assets	1,892	1,953
4.4) On Capital Account	2,734	3,004
5) Revenue Deficit (4.1-1)	**4,389**	**4,160**
% of GDP	(2.6)	(2.2)
6) Effective Revenue Deficit (5-4.3)	**2,496**	**2,207**
% of GDP	(1.5)	(1.2)
7) Fiscal Deficit {4-(1+2.1+2.2)}	**5,948**	**6,243**
% of GDP	(3.5)	(3.3)
8) Primary Deficit (7-4.2)	**640**	**485**
% of GDP	(0.4)	(0.3)

*** Excluding receipts under Market Stabilisation Scheme*

** Includes draw-down of Cash Balance*

GDP for BE 2018-2019 has been projected at ₹ 187223.02 bn assuming 11.5% growth over the estimated GDP of ₹ 167846.79 bn for 2017-18 (RE).

Individual items in this document may not sum up to the totals due to rounding off

Figures in parenthesis are as a percentage of GDP

Source: Union Budget FY19

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A MACROECONOMIC PERSPECTIVE

The Union Budget of 2018-19, drawn in the framework of continued rural distress, non-revival of private investment and need for creation of jobs, was expected to address these issues. The Budget delivered on the expected lines. With a thrust on agriculture and rural development, healthcare to under privileged, education and infrastructure, the Budget set the tone for future growth.

Given that this was the last Budget of the government before the General Elections, it left its audience least surprised as it turned out to be populous. Nonetheless, we believe that it can potentially uplift the rural economy if the announced initiatives are implemented in a timely and effective way. We had expected the government to announce measures to establish strong agri-logistic infrastructure, aim at wider coverage of irrigation network, initiate measures to address fair price realisation of agricultural products while providing farmers risk cover against price volatility to address the farmer's distress. In those directions, the government has announced some creditable initiatives. The government plans to develop appropriate policies and practices for price and demand forecast. NITI Aayog, in consultation with Central and State Governments, will put in place a fool-proof mechanism so that farmers will get adequate price for their produce. Under 'Operation Greens' the government will develop and upgrade agri-logistics, processing facilities and enhance professional management. Developing cluster-based model in a scientific manner to assist group of farmers from production to marketing will be taken up. Ground water irrigation scheme in 96 deprived irrigation districts where less than 30% of the land holdings gets assured irrigation would be a commendable initiative. Transforming 22,000 rural haats into Gramin Agricultural Markets (GrAMs) would create a robust marketing infrastructure for small and marginal farmers, thus covering a large section of the farmers who are not able to transact at agricultural produce market committees (APMCs). After the dairying infrastructure fund announced last year, an infrastructure development fund for the fisheries and aquaculture and animal husbandry sectors could address the issues in the supply chain infrastructure and hence inflation in these segments to an extent.

However, we believe that increasing the MSP cannot be a sustainable way to help farmers generate higher income. To ensure higher income for the farmers, the government has already declared MSP for the majority of rabi crops at least 1.5 times of their production cost and wants to do the same for all the unannounced crops of kharif this year. Firstly, there is a tendency of farmers for producing crops with higher MSPs. When the prices of such crops rise in the domestic market, these crops are imported and the farmers endure losses. Secondly, MSPs tend to create inflationary pressures.

In its last Budget before the General Elections, the government reiterated its aspiration to create a "New India". The approach towards achieving a holistic development in terms of housing for all by 2022, access to electricity for all by 2022, all-weather roads to all eligible habitants by 2019 and Universal Health Coverage has been envisaged in earlier budgets.

The novel initiative introduced in this Budget has been the flagship National Health Protection Scheme. The healthcare insurance scheme probably, the world's largest government funded health care programme, can be a major game changer towards achieving universal health coverage if implemented effectively. It aims to cover over 100 mn poor families i.e. approx 500 mn beneficiaries providing coverage upto ₹ 0.5 mn per family per year for secondary and tertiary care hospitalisation. While the contours of the scheme are still worked upon, its effectiveness will depend on how prudently the scheme is exercised and most importantly monitored. However, the initial allocation of ₹ 20 bn seems largely inadequate for such a large scheme to roll out. The fine print of the scheme to be released during the year, could only assuage the various concerns regarding its feasibility.

Lastly, two initiatives are worth mentioning. The Department of Commerce will be developing a National Logistics Portal as a single window online market place to link all stakeholders. This initiative is expected to reduce the duplication of work (submission of multiple copies of the same documents to different stakeholders in the absence of a common integrated portal) and minimise the high variation in time taken for documentation and paperwork. A study conducted by Dun & Bradstreet reveals that time taken for documentation at the major seaports in India varies from 7 to 32 hours for exports. The study also recommended implementation of National Portal for Trade Facilitation to integrate all the stakeholders to ease trading across ports in India.

Secondly, the government places a strong thrust towards developing the bond market. SEBI will consider mandating, beginning with large corporates, to meet about one-fourth of their financing needs from the bond market. In India, most regulators permit bonds with the 'AA' rating only as eligible for investment. The government recognises the need to move from 'AA' to 'A' grade ratings. Both these measures, if implemented, will strengthen and enhance the depth of the bond market.

It was widely expected that the government would breach the target for fiscal deficit. The government contained the fiscal deficit at 3.5% of GDP in FY18, deviating by 0.3% from the target, in a difficult year that witnessed not only implementation but also various changes in the GST. The deviation could have been only modest, if the government would have collected 12 months of GST revenue instead of 11 months and introduced the e-way bill much earlier than Feb 1st, 2018. For FY19, the government targets to achieve fiscal deficit of 3.3% of GDP in place of the 3.0% envisaged earlier. With this, the government will delay the timeframe for hitting the target for the third year i.e. it will achieve the target of 3.0% by FY21 as against the original deadline of FY18. The major headwind to achieve this would be the increasing crude oil prices. The windfall gains from low crude oil prices and the high duties imposed on oil, largely, helped the government to stay on the path of fiscal consolidation. As oil prices are likely to go up to US$ 70 (estimated) in 2018 from around US$ 43 to US$ 53 during 2015-2017, the government will not be able to avail any gains. We hope that increase in tax compliance and enhanced GST realisation helps the government to meet the set target.

SECTORAL IMPACT

Sector	Rating
Agriculture	Positive Plus
Social Sector	Positive Plus
Infrastructure	Positive Plus
Manufacturing	
Automotive	Marginally Positive
Capital and Engineering Goods	Positive
Cement	Positive
Consumer Goods	Positive
Gems and Jewellery	Neutral
Metals & Mining	Marginally Positive
MSMEs	Positive Plus
Oil & Gas and Petrochemicals	Marginally Positive
Pharma & Healthcare	Positive
Power	Marginally Positive
Real Estate and Construction	Positive
Textiles & Garments	Marginally Positive
Services	
Banking/Insurance/Financial Service and Market	Marginally Positive/ Positive/ Neutral
Hospitality	Marginally Positive
IT and ITeS	Positive
Media & Entertainment	Neutral
Retail	Neutral
Telecom	Marginally Positive

Ratings:

Positive Plus	Predominantly positive proposals
Positive	Positive proposals
Marginally Positive	Positive proposals but not upto industry expectations
Neutral	Negative proposals offsetting positive proposals
Negative	Negative proposals impacting the sector

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Agriculture

- Total allocation for agriculture and allied activities is increased to ₹ 638.36 bn in FY19 from ₹ 565.89 bn (RE) in FY18.
- Target for agriculture credit raised to ₹ 11 tn for FY19 from ₹ 10 tn for FY18.
- A proposal to keep Minimum Support Price (MSP) for all the unannounced crops of kharif at least at 1.5 times of their production cost.
- NITI Aayog, in consultation with Central and State Governments, to put in place a fool-proof mechanism so that farmers will get adequate price for their produce.
- Government will create an institutional mechanism, with participation of all concerned Ministries, to develop appropriate policies and practices for price and demand forecast, use of futures and options market, expansion of warehouse depository system and to take decisions about specific exports and imports related measures.
- A mechanism to be evolved by NITI Aayog, in consultation with state governments, to enable access of lessee cultivators to credit without compromising the rights of the land owners.
- The Budget proposes to liberalise exports of agricultural commodities.

Agricultural Marketing

- The existing 22,000 rural haats will be developed and upgraded into Gramin Agricultural Markets (GrAMs). These GrAMs, electronically linked to e-NAM and exempted from regulations of APMCs, will provide farmers facility to make direct sale to consumers and bulk purchasers.
- An Agri-Market Infrastructure Fund with a corpus of ₹ 20 bn is proposed to be set up for developing and upgrading agricultural marketing infrastructure in the 22,000 GrAMs and 585 APMCs.

Food processing and post-harvest infrastructure

- Allocation to Ministry of Food Processing is being doubled to ₹ 14 bn (BE) in FY19 from ₹ 7.15 bn (RE) in FY18. Government will promote establishment of specialised agro-processing financial institutions in this sector.
- The Ministry of Agriculture & Farmers' Welfare will reorient its ongoing schemes and promote cluster-based development of agri-commodities and regions in partnership with the Ministries of Food Processing, Commerce and other allied Ministries.
- An allocation of ₹ 5 bn for "Operation Greens" to promote Farmer Producers Organisations (FPOs), agri-logistics, processing facilities and professional management in the area of perishable agricultural commodities.
- The Budget proposes to set up state-of-the-art testing facilities in all the 42 Mega Food Parks.
- 100% deduction proposed to Farmer Producer Companies with annual turnover up to ₹ 1 bn in respect of their profit derived from primary agricultural activities for a period of five years from FY19.

Fisheries and Animal Husbandry

- The facility of Kisan Credit Cards is proposed to be extended to fisheries and animal husbandry farmers.
- The Budget proposed to set up a Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector. Total corpus of these two new funds would be ₹ 100 bn.

Irrigation

- The scope of Long Term Irrigation Fund is proposed to be expanded to cover specified command area development projects.

- Ground water irrigation scheme under Prime Minister Krishi Sinchai Yojna will be taken up in 96 deprived irrigation districts where less than 30% of the land holdings gets assured irrigation presently. The Budget has proposed an outlay of ₹ 26 bn for this purpose.

Others

- Organic farming by Farmer Producer Organisations (FPOs) and Village Producers' Organisations (VPOs) in large clusters, preferably of 1,000 hectares each, will be encouraged.
- Women Self Help Groups (SHGs) will be encouraged to take up organic agriculture in clusters under National Rural Livelihood Programme.
- An allocation of ₹ 2 bn to support cultivation of highly specialised medicinal and aromatic plants.
- The launch of Restructured National Bamboo Mission with an outlay of ₹ 12.90 bn to promote bamboo sector.
- The Budget proposed the Government of India to encourage state governments to put in place a mechanism which enables the power distribution companies or licensees to purchase surplus solar power generated by farmers at reasonably remunerative rates.
- Customs duty on raw cashew is proposed to be reduced to 2.5% from 5%.
- Capital of the Food Corporation of India will be restructured to enhance equity and to raise long-term debt for meeting its standing working capital requirement.

Positive Plus

With the General Elections due next year, as expected, the Union Budget for FY19 has tried to provide big relief to the distressed rural economy. This Budget turned out to be populous -- it has more than what was initially expected as far as rural sector is concerned. The Budget is expected to *have key implications for overall agriculture sector in terms of fair price realisation of agricultural products, expansion of agricultural marketing and improvement in post-harvest infrastructure. Measures announced in the Budget will certainly help revive rural economy if implemented in a timely manner and funds are invested fully.*

The increase in MSP for crops at least at 1.5 times of their production cost can be seen as an important step towards the government's commitment to doubling the income of farmers by 2022. In addition to this, the Budget proposes to increase government controlled markets while investing substantially in agricultural markets across the country. A special attention has been provided to developing and upgrading agricultural marketing infrastructure, agri-logistics and food processing facilities which will ensure reduction in farm wastage as well as maximum returns to farmers. Further, to encourage professionalism in post-harvest value addition in agriculture sector, the government has proposed 100% deduction to Farmer Producer Companies with an annual turnover up to ₹ 1 bn for a period of 5 years.

In many states of India, a significant portion of farming is done by lessee cultivators, which are often exposed to moneylenders at atrocious rates. A proposal to evolve a mechanism that will provide credit access to tenant cultivators without compromising the rights of the land owners will give these tenant farmers the benefits of low cost credit. This in turn will help in lifting the income level of these small farmers. Fisheries and animal husbandry farmers are also proposed to be given the benefits of Kisan Credit Cards which will help them in meeting their working capital requirements.

To conclude, the Budget has given emphasis on addressing long-standing issues like price volatility of agricultural produce, marketing and post-harvest infrastructure facilities.

Social Sector

- Government's schematic budgetary expenditure on health, education and social protection for FY19 estimated to be ₹ 1.4 tn as against ₹ 1.2 tn in FY18 (BE).
- Allocation towards the Mahatma Gandhi National Rural Employment Guarantee Program (MGNREGA) proposed to be raised to ₹ 550 bn in FY19 from ₹ 480 bn in FY18 (BE).
- Allocation of ₹ 99.8 bn towards National Social Assistance Program (NSAP) in FY19.
- 3% education cess on personal income tax and corporate tax to be replaced by 4% health and education cess.

Health & Sanitation

- Allocation to health sector increased to ₹ 546.7 bn in FY19, about 12% higher than in FY18 (BE).
- Allocation of ₹ 306.3 bn towards National Health Mission.
- Allocation of ₹ 70 bn to National Rural Drinking Water Mission (NRDWM).
- Government to launch National Health Protection Scheme to benefit approximately 500 mn people from poor and vulnerable families; scheme to provide cover of up to ₹ 0.5 mn per family per year for secondary and tertiary care hospitalisation.
- Allocation of ₹ 12 bn to set up 150,000 Health and Wellness Centres under the National Health Policy 2017; these centres to provide comprehensive health care, free essential drugs and diagnostics services.
- Allocation of ₹ 178.4 bn to Swachh Bharat Mission, of which ₹ 153.4 bn has been allocated to rural areas; aim to construct 20 mn toilets in FY19.

- Allocation of ₹ 6 bn towards providing nutritional support to all tuberculosis patients at the rate of ₹ 500 per month during the course of their treatment.
- Government to set up 24 new Medical Colleges and Hospitals by upgrading existing district hospitals.
- Galvanising Organic Bio-Agro Resources Dhan (GOBAR-DHAN) scheme to be launched for management and conversion of cattle dung and solid waste in farms to compost, fertilizer, bio-gas and bio-CNG.
- Aim to cover all poor and SC/ST households under the Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana.

Rural Development

- Government to allocate ₹ 14.3 tn in FY19 for creation of livelihood and infrastructure in rural areas; expenditure expected to create employment of 3.2 bn person days, about 317,000 km of rural roads, 5.1 mn new rural houses, 18.8 mn toilets and provision of 17.5 mn new household electric connections.
- Allocation of ₹ 32 bn towards LPG Subsidy scheme under Ministry of Petroleum & Natural Gas to provide LPG connection to poor households; target for provision of free LPG connections to poor women under the Pradhan Mantri Ujjwala Yojana enhanced from 50 mn in FY18 to 80 mn poor women in FY19.
- Allocation of ₹ 27.5 bn towards Sahaj Bijli Har Ghar Yojana (Rural) – Saubhagya scheme under the Ministry of Power; target to provide electricity connections to 17.5 mn households.
- Identification of 115 aspirational districts on the basis of various indices of development for investment in social services like health, education, nutrition, skill upgradation, financial inclusion, irrigation, rural electrification, potable drinking water and access to toilets at an accelerated pace and in a time-bound manner.

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Education

- Allocation towards education sector increased to ₹ 850.1 bn in FY19.
- Allocation of ₹ 326.1 bn for National Education Mission; ₹ 261.3 bn allocated towards Sarva Shiksha Abhiyan.
- Right to Education Act amended to enable the training of more than 1.3 mn untrained teachers; integrated B.Ed programme to be initiated.
- Proposal to increase the digital intensity in education by moving from black boards to digital boards; 'DIKSHA' digital portal to be used to upgrade teaching skills.
- Ekalavya Model Residential Schools to be set up to provide quality education to children from Scheduled Tribes; target of having a school in every block with more than 50% ST population and at least 20,000 tribals.
- Proposal to launch a major initiative named 'Revitalising Infrastructure and Systems in Education' (RISE) with a total investment of ₹ 1 tn by the year 2022; Higher Education Financing Agency to be suitably structured to fund the initiative.
- Proposal to set up two new full-fledged Schools of Planning and Architecture (SPAs) to be selected on challenge mode; additionally, 18 new SPAs proposed to be set up in IITs and NITs as autonomous schools.
- Government to launch the Prime Minister's Research Fellows (PMRF) Scheme in FY19; under the scheme, 1,000 of the best B.Tech students across premier institutions to be identified and provided facilities to pursue Ph.D in IITs and IISc with a fellowship.

Housing

- Allocation towards Pradhan Mantri Awas Yojana (PMAY) – Gramin decreased from ₹ 230 bn in FY18 (BE) to ₹ 210 bn in FY19; aim to build about 5.1 mn new rural houses during the year.

- Proposal to establish a dedicated Affordable Housing Fund (AHF) in National Housing Bank, funded from priority sector lending shortfall and fully serviced bonds authorised by the Government.
- Job Creation, Social Security & Women Empowerment.
- Government to contribute 12% of wages of new employees in EPF for all sectors over the next three years; facility of fixed term employment to be extended to all sectors.
- Coverage under the Pradhan Mantri Jan Dhan Yojana to be expanded by bringing all 600 mn existing basic accounts within its fold and providing services of micro insurance and unorganised sector pension schemes through these accounts.
- Allocation towards National Rural Livelihood Mission enhanced to ₹ 57.5 bn in FY19 from ₹ 45 bn in FY18 (BE); aim to provide loans to the tune of ₹ 750 bn to Self Help Groups of women by the end of FY19.
- Proposal to make amendments in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to reduce women's employment contribution to 8% for the first three years of employment against the existing rate of 12% or 10% with no change in employer's contribution.

Skill Development

- Allocation of ₹ 11.7 bn in FY19 for Pradhan Mantri Kaushal Vikas Yojana 2.0; aim to benefit 18 lakh people.
- Government to set up model aspirational skill centre in every district under Pradhan Mantri Kaushal Kendra Programme.

SC/ST and Minorities

- Allocation of ₹ 566.2 bn towards welfare of SCs and ₹ 391.4 bn towards welfare of STs in FY19.
- Allocation of ₹ 47 bn for minority affairs in FY19, of which ₹ 24.5 bn for education empowerment.

Positive Plus

For the third year in a row, the Union Budget has offered a significant enhancement in the budgetary allocation towards social sector, with the budgetary expenditure on health, education and social protection for FY19 estimated to be ₹ 1.4 tn as against ₹ 1.2 tn in FY18 (BE). The sustained focus on healthcare, rural development and education are expected to provide a fillip to economic growth and help the economy optimise the benefits of its demographic dividend in the coming years.

The National Health Promotion Scheme, which will benefit more than 500 mn people, will be the world's largest government-funded health care programme. The allocation towards the National Health Policy 2017 will help to improve access to preventive healthcare and essential drugs.

A vast majority of Indians lives in rural areas. Therefore, the allocation of ₹ 14.3 tn towards creation of livelihood in rural areas and infrastructure therein signals a positive step towards the development of the rural economy and the 'ease of living' for citizens. The provision of LPG connections and electricity in poor households will improve the general standard of living. Likewise, the initiatives to impart training to teachers and to make education more accessible to SC/ST children reflects a holistic focus on education. In a nutshell, these are steps towards inclusive growth.

Overall, the Budget seeks to shape India's growth story in the long run and help it reap the benefits of its demographic dividend.

Infrastructure

- Budgetary and extra budgetary expenditure on infrastructure increased to ₹ 5.97 tn for FY19 against estimated expenditure of ₹ 4.94 tn in FY18.
- For the transportation sector, including rail, roads, aviation and shipping, allocation of ₹ 2.76 tn has been made.

Roads & Highways

- Allocation for road transport & highways increased to ₹ 1.21 tn in FY19 from ₹ 1.10 tn (RE) in FY18.
- The construction of tunnel under Sela Pass is proposed to be taken up.
- To raise equity from the market for its mature road assets, NHAI will consider organising its road assets into Special Purpose Vehicles and use innovative monetising structures like Toll, Operate and Transfer (TOT) and Infrastructure Investment Funds (InvITs).
- The Government will come out with a policy to introduce toll system on "pay as you use" basis.

Railways

- Railways' capex for FY19 has been pegged at ₹ 1.48 tn as against ₹ 1.20 tn for FY18. A large part of the capex is devoted to capacity creation.
- A proposal to develop 18,000 kms of doubling, third and fourth line works and 5,000 kms of gauge conversion.
- To eliminate 4,267 unmanned level crossings in the broad gauge network in the next two years.
- All stations with more than 25,000 footfalls will have escalators.
- All railway stations and trains will be progressively provided with wi-fi and CCTVs to enhance security of passengers.

- 150 kms of additional suburban network in Mumbai is being planned at a cost of over ₹ 400 bn, including elevated corridors on some sections.
- A suburban network of approximately 160 kms at an estimated cost of ₹ 170 bn is being planned to cater to the growth of the Bengaluru metropolis.

Aviation

- An outlay of ₹ 40.86 bn has been proposed in FY19 as against ₹ 26.93 bn (RE) in FY18.
- A proposal to expand airport capacity more than five times to handle a bn trips a year under a new initiative – NABH Nirman. Balance sheet of Airport Authority of India shall be leveraged to raise more resources for funding this expansion.

Rural Infrastructure

- In FY19, for creation of livelihood and infrastructure in rural areas, total amount to be spent by the Ministries will be ₹ 14.34 tn, including extra-budgetary and non-budgetary resources of ₹ 11.98 tn.
- 0.5 mn wi-fi hotspots are proposed to be set up which will provide broadband access to 50 mn rural citizens. An outlay of ₹ 100 bn has been provided in FY19 for creation and augmentation of telecom infrastructure.
- Prime Minister Gram Sadak Yojana Phase III is proposed to connect habitations to agricultural and rural markets (GrAMs).
- Under Prime Minister Awas Yojana, 5.1 mn houses are proposed to be built in rural areas FY19.

Urban Infrastructure

- The allocation for AMRUT and Smart Cities Mission increased to ₹ 121.69 bn in FY19 from ₹ 89.99 bn (RE) in FY18.

- Assistance has been sanctioned to build 3.7 mn houses under Prime Minister Awas Yojana, urban.
- A proposal to establish a dedicated Affordable Housing Fund (AHF) in National Housing Bank, funded from priority sector lending shortfall and fully serviced bonds authorised by the Government of India.

Others

- An outlay of ₹ 600 mn for Coalition on Disaster Resilient Infrastructure for developing international good practices, appropriate standards and regulatory mechanism for resilient infrastructure development.
- A proposal to initiate monetization of select Central Public Sector Enterprises (CPSEs) assets using Infrastructure Investment Trust (InvITs) from next year.
- A proposal to upgrade tourist amenities at 100 Adarsh monuments of the Archaeological Survey of India.

Positive Plus

The Finance Minister's statement that India needs investment of ₹ 50 tn for infrastructure development indicates the government's commitment and thrust to develop the country's infrastructure. In continuation with the last year's Budget, the government has provided a record allocation of ₹ 5.97 tn for the sector in FY19, an increase of almost a trillion over the previous fiscal. Out of this, transport sector has received an outlay of ₹ 2.76 tn, up by almost 17% from the revised estimates of FY18.

An all-time-high allocation to rail and road sectors is expected to help in strengthening the transport infrastructure. The Budget has also focused on development of urban infrastructure by increasing the allocation for AMRUT and Smart Cities Mission by almost 35% in FY19. The government has so far completed projects worth ₹ 23.5 bn under Smart Cities Mission.

In addition, a proposal to set up a dedicated Affordable Housing Fund and assistance given for creation of housing in rural and urban areas will help in achieving the target of Housing for All by 2022.

While the government has proposed significant increase in allocation for infrastructure sector, it is also trying to encourage private sector investment in infrastructure development through innovative measures such as InvITs and Tool, Operate and Transfer. Overall, the Union Budget FY19 can be seen as the government's attempt to show its commitment to further augmenting infrastructure in the country.

Manufacturing

Automotive

- Increase in customs duty on specified parts/accessories of motor vehicles, motor cars and motorcycles to 15% from 7.5-10%.
- Increase in customs duty on Completely Knocked Down (CKD) imports of motor vehicles, motor cars and motorcycles to 15% from 10%.
- Increase in customs duty on Completely Built Units (CBU) imports of motor vehicles to 25% from 20%.
- Increase in customs duty on truck and bus radial tyres to 15% from 10%.
- Budgetary allocation of ₹ 5.97 tn for infrastructure development in FY19.
- Institutional credit for agriculture sector increased to ₹ 11 tn from ₹ 10 tn in FY18.
- Allocation of ₹ 2.95 tn for defence expenditure.

Marginally Positive

Increased thrust on infrastructure, rural and agriculture sectors along with higher budgetary allocation augur well for the domestic automobiles industry, although the impact is not likely to be seen in the immediate future. The Budget has been devoid of any direct big bang announcements for the industry. Nevertheless, measures related to increase in customs duty on certain parts of vehicles and CKD/CBU of vehicles will make imports costlier and are aimed at encouraging domestic production. The thrust on the rural sector is a positive, as higher farm/rural incomes would increase demand, especially for two wheelers and tractors. Demand for *commercial vehicles, particularly trucks, is expected to get a boost on account of the various infrastructure development planned for FY19. Focus on development of Smart Cities will boost demand for buses. Further, increased allocation to the defence sector will benefit manufacturers of commercial vehicles having a presence in this segment. The announcement related to reduction in income tax rate for companies with annual turnover upto ₹ 2.5 bn is expected to benefit auto component manufacturers, bulk of whom belong to the SME sector.*

Capital and Engineering Goods

- The total capital and development expenditure for the railways has been pegged at ₹ 1.5 tn in FY19, of which the large part has been dedicated to capacity creation.
- Rolling stock – 12,000 wagons, 5,160 coaches and approximately 700 locomotives are being procured during FY19.
- The total capital of ₹ 11 bn has been allocated under sub mission on Agriculture Mechanism to 62,466 centres for developing agriculture machinery and equipment, farm machinery banks and hi-tech productive equipment.
- Reduction in customs duty to 2.5% from 7.5% on ball screws and linear motions guides used in Computerised Numerical Control (CNC) systems used for manufacturing of all types of CNC machine tools.
- Reduction in customs duty to Nil from 5% on solar tempered glass used for manufacturing of solar cells/panels/modules.
- Increase in customs duty to 15% from 7.5%/10% on specified parts/ accessories of motor vehicles, motor car, motors cycles.
- Increase in customs duty to 15% from 10% on CKD imports of motor vehicle, motor cars, motor cycles.

- Increase in customs duty to 25% from 20% on CBU imports of motor vehicles.
- Increase in customs duty to 15% from 10% on truck and bus radial tyres.

Positive

The Budget did not make specific announcements that would have direct impact on the capital goods and engineering sector. However, there were several announcements that would indirectly have a positive impact on the sector.

The increased thrust and higher fund allocation for infrastructure sector is likely to boost the demand for construction equipment. The announcement to construct 5.1 mn houses in the rural areas and 3.7 mn houses in the urban areas in FY19; setting up of 24 new Government Medical Colleges and Hospitals; and selection of 99 out of 100 smart cities with an outlay of ₹ 2 tn will further boost the need for construction equipment and machinery.

Doubling of the capital outlay for Ministry of Food Processing from ₹ 7.2 bn to ₹ 14 bn under the Prime Minister Krishi Sampada Yojana will boost the investment in the food processing industry, leading to capacity addition. This will boost demand for heavy machinery and equipment used in the food processing sector.

Measures such as reduction in customs duty on components used in the manufacturing of CNC machine tools and those required for solar based power generating systems are likely to facilitate growth of the capital and engineering goods industry.

Additionally, increase in customs duty on CKD imports of motor vehicle, motor cars, motor cycles; CBU imports of motor vehicles; and truck and

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bus radial tyres will provide a boost to India's Make in India initiative and is likely to facilitate growth of the capital and engineering goods sector.

Cement

- Capital outlay for infrastructure spending increased to ₹ 5.97 tn in FY19 from ₹ 4.94 tn (RE) in FY18.
- Railway's capex for FY19 has been pegged at ₹ 1.49 tn and a large part of it has been assigned for the capacity creation.
- Indian Railway Station Development Co. Ltd. to redevelop 600 major railway stations.
- Mumbai's transport system to add 90 kms of double line tracks at a cost of over ₹ 110 bn. Additional suburban network of ~150 kms is planned at a cost of over ₹ 400 bn. A suburban network of ~160 kms at an estimated cost of ₹ 170 bn is being planned for Bengaluru metropolis.
- Under 100 Smart Cities Mission, 99 cities have been selected with an outlay of ₹ 2.04 tn.
- Total amount to be spent by the Ministries on rural infrastructure pegged at ₹ 14.34 tn which includes 0.31 mn kms of roads, 5.1 mn new rural houses (PMAY-G) and 18.8 mn (Swachh Bharat Mission) toilets.
- Phase-I of Bharatmala to develop 35,000 kms of connectivity in interior and border areas at an estimated cost of ₹ 5.35 tn.
- Government to construct 3.7 mn houses under Pradhan Mantri Awas Yojana Urban (PMAY-U).
- Agri-Market Infrastructure Fund to be set up with a corpus of ₹ 20 bn for developing and upgrading agricultural marketing infrastructure in 22,000 Grameen Agricultural Markets (GrAM) and 585 APMCs.

Positive

Like the previous Budget, there was no direct announcement for cement sector. However, emphasis on infrastructure and rural development in the Budget will increase demand for cement in the country. Increased thrust on infrastructure including rural infrastructure is likely to help create demand for cement. Further, initiatives like Affordable Housing and Housing for All will translate to higher demand for cement. Overall, the sector can expect a higher growth in volume on account of rising demand from infrastructure development and the housing sector.

Consumer Goods

- Minimum Support Price (MSP) for the unannounced Kharif crop to be kept at 1.5 times of their production cost.
- Capital allocation to the Ministry of Food Processing to be doubled to ₹ 14 bn in FY19 from ₹ 7.15 bn in FY18.
- The Government to promote establishment of specialised agro-processing financial institutions in this sector.
- Setting up a Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector. Total corpus of these two new funds would be ₹ 100 bn.
- Customs duty on mobile phones increased to 20% from 15%, on some of their parts and accessories to 15% and on certain parts of TVs to 15%.

3i Infotech
LIMITLESS EXCELLENCE

Positive

A series of measures announced by the Government in the Budget is likely to provide boost to the Indian economy overall and rural economy in particular. While the increase in MSP is likely to increase the income of farmers in rural India, it will have impact on the overall inflation. Spending plans introduced by the Government in the Budget to encourage rural development and providing higher income for farmers could provide necessary boost to the consumer goods companies that depend on rural sales for business growth. These measures, along with the mega health insurance programme for the poor and massive spending on rural infrastructure, will strengthen the rural economy and boost consumption, in turn helping the consumer goods sector.

Gems & Jewellery

- Increase in basic customs duty to 5% from 2.5% on cut and polished colored gemstones, diamonds including lab grown diamonds-semi processed, half cut or broken and non-industrial diamonds including lab-grown diamonds and cut and polished diamonds.
- Social Welfare Surcharge at 3% of aggregate duties of customs for silver (including silver plated with gold or platinum), unwrought or in semi-manufactured form, or in powder form, and gold (including gold plated with platinum), unwrought or in semi-manufactured form, or in powder form.
- Increase in basic customs duty on imitation jewellery to 20% from 15%.
- The Government will formulate a comprehensive Gold Policy to develop gold as an asset class. It will also establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country.
- The Gold Monetisation Scheme will be revamped to enable people to open a hassle-free Gold Deposit Account.

Neutral

Government's decision to establish a consumer-friendly and trade-efficient system of regulated gold exchanges in the country will help attract more investors and help in better price discovery. However, surcharge on gold and silver of 3% and increase in the basic customs duty on diamonds and gemstones to 5% may lead to an increase in overall prices but it might give a boost to the domestic manufacturers.

Metals & Mining

- Allocation of ₹ 16.70 bn to the Ministry of Mines, 27% higher than FY18 (RE).
- Capital expenditure allocation to the Ministry of Mines estimated at ₹ 1.70 bn in FY19, as against a revised estimate of ₹ 1.12 bn in FY18.
- Allocation of ₹ 7.71 bn to the Ministry of Coal, as against ₹ 7.43 bn in FY18 (RE).

Marginally Positive

The Union Budget does not contain any significant schemes or policy measures that could directly impact the metals & mining sector. However, the pro-infrastructure tone, with an increase in budgetary allocation to infrastructure sector to ₹ 5.97 tn from previous year's revised estimate of ₹ 4.94 tn, could generate demand for metals ranging from steel to copper to aluminium that are used in infrastructure construction projects. The metal industry is expected to indirectly benefit from the railway capacity expansion plan. Proposals like doubling of rail network, gauge conversion, electrification, and increase in the procurement of rolling stock, would create demand for metals like steel, iron, copper and aluminium.

Additionally, the proposed allocation of ₹ 100 bn for the creation and *augmentation of telecom infrastructure would be beneficial for the demand for copper wire and other metals used in telecom hardware.*

The launch of Prime Minister Saubhagya Yojana, with an outlay of ₹ 160 bn, aimed at electrification of all households in the country could create a positive demand for metals like copper and steel that are used in creating power transmission & distribution infrastructure.

Further, the budgetary proposal to develop 35,000 kms of road network under Bharatmala Pariyojana could result in higher demand for bitumen and other related mineral-based materials used in road construction.

The metal industry is expected to immensely benefit from any policy measures / schemes that is intended to benefit the infrastructure sector. Even if there are no direct announcements in the budget for the sector, the benefits that are expected to accrue from infrastructure oriented schemes would have an overall marginally positive impact on the metals and mining sector.

MSMEs

General

- Allocation of ₹ 37.94 bn to the MSME sector for giving credit support, capital and interest subsidy and innovations.
- Extend the benefit of corporate tax rate of 25% to companies who have reported turnover up to ₹ 2.5 bn in FY17.

Financing

- Target of ₹ 3 tn set for lending under the Pradhan Mantri MUDRA Yojana for FY19.
- Allocation of ₹ 57.5 bn in FY19 under National Rural Livelihood Mission.

Food Processing, Bamboo, Fisheries & Animal Husbandry, Auto Components, Textiles, Footwear, Gems & Jewellery, Furniture

- Allocation to the Ministry of Food Processing doubled to ₹ 14 bn (BE) in FY19 from ₹ 7.15 bn (RE) in FY18.
- Allocation of ₹ 5 bn under "Operation Greens" to promote Farmer Producers Organisations, agri-logistics, processing facilities and professional management.
- Outlay of ₹ 12.9 bn under a re-structured National Bamboo Mission to promote bamboo sector.
- Setting up of a Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector, with total corpus of ₹ 100 bn.
- Reduction in the customs duty on raw cashew to 2.5% from 5%.
- Increase in customs duty on orange fruit juice to 35% from 30%; Other fruit juices and vegetable juices to 50% from 30%; Cranberry juice to 50% from 10%; Miscellaneous food preparations (other than soya protein) to 50% from 30%.
- Increase in customs duty on specified parts/accessories of motor vehicles, motor cars and motor cycles to 15% from 7.5-10%.
- Increase in customs duty on silk fabrics to 20% from 10%.
- Increase in customs duty on footwear to 20% from 10% and on parts of footwear to 15% from 10%.
- Increase in customs duty on cut and polished colored gemstones to 5% from 2.5%.
- Increase in customs duty on diamonds including lab grown diamonds - semi processed, half cut or broken; non-industrial diamonds including lab-grown diamonds (other than rough diamonds), including cut and polished diamonds to 5% from 2.5%.

- Increase in customs duty on imitation jewellery to 20% from 15%.
- Increase in customs duty on seats and parts of seats (furniture), except aircraft seats and parts thereof, to 20% from 10%; Other furniture and parts to 20% from 10%; Mattresses supports, articles of bedding and similar furnishing to 20% from 10%.

Positive Plus

The Budget has given a significant thrust to the MSME sector to boost employment and economic growth, and to address the financing needs of these companies. The proposal to extend the reduced rate of 25% corporate tax to companies with turnover up to ₹ 2.5 bn in FY17 will benefit SMEs by reducing their tax burden.

The proposal to onboard public sector banks and corporates on the Trade Electronic Receivable Discounting System platform and revamping of online loan sanctioning facility for MSMEs is expected to address working capital woes of MSMEs and facilitate speedier access to formal finance.

Food processing, which is one of the focus sectors under the Government's 'Make in India' Programme, has received renewed thrust in this Budget. Doubling of budgetary allocation to the food processing sector, and announcements related to setting up of state-of-the-art testing facilities in all the 42 Mega Food Parks and promoting establishment of specialised agro-processing financial institutions in this sector are expected to boost prospects of this sector, particularly exports. These measures would also create employment opportunities in the sector. The announcement for the bamboo sector is also expected to generate employment opportunities for skilled and unskilled youth, particularly in the rural areas.

The measure announced to support organised cultivation of highly specialised medicinal and aromatic plants is expected to help small and *cottage industries which manufacture perfumes, essential oils and other associated products. The announcements on encouraging women Self Help Groups to take up organic agriculture in clusters under the National Rural Livelihood Programme and by Farmer Producer Organisations and Village Producers' Organisations in large clusters are expected to create employment opportunities. With increasing preference of consumers for organically grown food products, these measures can be considered as important, though baby steps, towards promoting organic farming in the country.*

Considering the substantial potential for domestic value addition in sectors such as food processing, footwear, auto components, furniture, jewellery, etc, the move to increase customs duties is a move in the right direction to further strengthen the 'Make in India' Programme and is expected to provide considerable boost to domestic producers.

Allocation under the Jobs and Skill Development scheme has increased by 24% to ₹ 50.71 bn in FY18. This augurs well for the MSME sector which has been struggling to bridge the demand-supply gap for skilled labour.

The overall budgetary allocation for the Ministry of MSMEs is a meagre 1.25% higher at ₹ 65.52 bn for FY19. Nevertheless, the Budget has announced several proposals for certain key MSME sectors, which are expected to boost growth, create employment opportunities and enable increased access to formal finance. Thus, the MSME sector is expected to positively benefit from this Budget.

Oil & Gas and Petrochemicals

- Allocation for capital outlay of ₹ 928.85 bn to the Ministry of Petroleum and Natural Gas in FY19 compared to ₹ 888.50 bn in FY18, out of which ₹ 70.1 bn is allocated for payment to Indian Strategic Petroleum Reserve Ltd. (ISPRL) for Crude Oil Reserve, 37% lower than FY18.

- Upward revisions in providing LPG connections to 80 mn poor women in FY19 from 50 mn in of FY18 under the Ujjawala Scheme.
- Allocation of ₹ 203.77 bn in FY19 for LPG subsidy compared to ₹ 156.56 bn in FY18.
- Allocation of ₹ 45.55 bn in FY19 for kerosene subsidy compared to ₹ 88.04 bn in FY18.
- Investments in Public Sector Enterprises under the Ministry of Petroleum and Natural Gas is proposed to be ₹ 893.35 bn in FY19 compared to ₹ 873.84 bn in FY18, an increase of 2%. Out of this, ₹ 480.64 bn is proposed for exploration and production sector, while ₹ 358.38 bn for refining and marketing sector, ₹ 39.52 bn for petrochemicals sector and ₹ 14.80 bn for loans to credit co-operatives sector.
- Exemption of sale of leftover stock of crude oil in respect of termination of the contract or arrangement in respect of a foreign company participating in a strategic oil reserve.
- A scheme called Galvanising Organic Bio-Agro Resources Dhan (GOBAR-DHAN) to be launched for management and conversion of cattle dung and solid waste in farms to compost, fertilizer, bio-gas and bio-CNG.
- Provisions regarding customs duty on motor spirit also known as petrol and high speed diesel are proposed as follows:
    - Additional customs duty in lieu of basic excise duty on petrol to be reduced to ₹ 4.48 per litre in FY19 from ₹ 6.48 per litre in FY18.
    - Additional customs duty in lieu of basic excise duty on high speed diesel to be reduced to ₹ 6.33 per litre in FY19 from ₹ 8.33 per litre in FY18.

- Levy of road and infrastructure cess on imported petrol and high speed diesel oil is introduced and proposed to be ₹ 8 per litre.
- Additional customs duty (road cess) on imported petrol and high speed diesel oil is proposed to be abolished, which was ₹ 6 per litre in FY18.

Marginally Positive

The Budget is marginally positive for the oil & gas and petrochemical sector. Increased LPG connections for poor women and increased LPG subsidy will help rural India.

In a rejig of excise duty on petroleum products, the Budget proposes to reduce basic excise duty on petrol and high speed diesel by ₹ 2, while it also proposes to abolish additional excise duty on petrol and high speed diesel by ₹ 6. Although the Budget has reduced excise duty, fuel prices are likely to remain the same as new road cess of ₹ 8 per litre has been introduced.

Pharmaceuticals & Healthcare

- Allocation of ₹ 12 bn to the 'Ayushman Bharat' programme.
- The first initiative under the 'Ayushman Bharat' programme entails the foundation of 0.15 mn health and wellness centers that provide comprehensive health care for various purposes including non-communicable diseases and maternal and child health services. These centers will also provide free essential drugs and diagnostic services.
- The second initiative under the 'Ayushman Bharat' programme entails the launch of a National Health Protection Scheme that will cover over 100 mn poor and vulnerable families (approximately 500 mn beneficiaries). Under this scheme, insurance coverage of upto

₹ 0.5 mn per family per year is provided, for secondary and tertiary care hospitalisation.

- Allocation of ₹ 6 bn to all tuberculosis (TB) patients, in order to provide nutritional support, at the rate of ₹ 500 per month during the treatment.
- Setting up of 24 new Government Medical Colleges and Hospitals by upgrading existing district hospitals in the country.
- Proposed standard deduction of ₹ 40,000 to salaried taxpayers in lieu of the present exemption with respect to the transport allowance and reimbursement of miscellaneous medical expenses.
- Increased limit of deduction for health insurance premiums and/or medical expenditures for senior citizens from ₹ 30,000 to ₹ 50,000 per annum. Senior citizens also expected to be benefited from the raised limit of the deduction for medical expenditure due to certain critical illnesses from ₹ 60,000 (Senior Citizens) and ₹ 80,000 (Very Senior Citizens) to ₹ one lakh (For all).
- Estimated expenditure of ₹ 138 tn for FY19 (as opposed to ₹ 122 tn in FY18) on health, education and social protection. This expenditure is likely to further increase by ₹ 150 bn on account of additional allocations and extra budgetary expenditure.
- Increasing investments in the education, health and related institutions by allocation of ₹ one tn over the next four years through the launch of the 'Revitalising Infrastructure and Systems in Education (RISE) by 2022' initiative.
- Leveraging the India Infrastructure Finance Corporation Limited (IIFCL) in order to help finance major infrastructure projects such as investments in education and health infrastructure.
- Existing 3% Education Cess to be replaced by a 4% Health and Education Cess in order to fund the health and education needs of rural and below poverty line (BPL) families.

- Proportionate deduction to be allowed over the years in cases where health insurance premiums for multiple years have been paid in one year.
- The customs duty on raw materials, parts or accessories related to the manufacture of cochlear implants has been reduced to nil from 2.5%.

Positive

For a country that spends a little over 1% of its GDP on healthcare, incremental allocations have always been insufficient in the Budget. This year, the government has attempted to change that by introducing several new initiatives such as the 'Ayushman Bharat' programme. The establishment of 0.15 mn health and wellness centers is likely to go a long way in improving the public health infrastructure in India. Furthermore, the National Health Protection Scheme offers much needed insurance coverage to the financially disadvantaged strata of society. The allocation of resources for critical illnesses such as tuberculosis, the establishment of medical colleges & hospitals and increased tax deductions for senior citizens seems to ensure the well-being of the major stakeholders of the healthcare ecosystem. Further, announcement related to provision of healthcare for economically backward population through 4% health and educational cess will ensure medical care parity across the country. Additionally, leveraging the financial resources of IIFCL and RISE initiative will enable to build a robust healthcare infrastructure in the long term.

Power

- Capital outlay for Ministry of Power is ₹ 548 bn in FY19 as against ₹ 652 bn in FY18.
- Capital outlay for Ministry of New and Renewable Energy is ₹ 103 bn in FY19 as against ₹ 95 bn in FY18. The allocation for core grid interactive power (solar, wind, bio and hydro) reduced to ₹ 30.27 bn from ₹ 32.03 bn.
- Within core grid interactive power, budgetary allocation towards solar power reduced by 23%. However, target capacity expansion increased by 1,000 MW.
- Within core grid interactive power, budgetary allocation towards wind power increased by 87.5% to pay off past liability of Generation Based Incentive (GBI) which was discontinued from April, 2017.
- Budgetary allocation of ₹ 27 bn towards Pradhan Mantri Sahaj Bijli Har Ghar Yojna (Saubhagya) for free electricity connections to all remaining un-electrified households in rural areas.
- Budgetary allocation of ₹ 38 bn towards Deen Dayal Upadhyaya Gram Jyoti Yojna and ₹ 39.85 bn towards Integrated Power Development Scheme (IPDS).
- Customs duty on solar tempered glass (including anti-reflective coated) for manufacture of solar cells/panels/modules reduced from 5% to Nil.
- State Governments encouraged to set a mechanism for distribution companies/licensees to facilitate purchase of surplus solar power from irrigation solar pumps at reasonable remunerative prices.
- Optimal electrification of 4,000 kms of railways targeted for commissioning in FY19.
- Solar rooftops to be installed across selected 99 smart city projects.

Marginally Positive

The Government reiterated its commitment towards "Power for All" by introducing the Saubhagya scheme aimed at providing free electricity to 4 crore households and increasing the overall budgetary allocation to Ministry of Power by 10.5%. Furthermore, substantial allocation towards Deen Dayal Upadhyaya Gram Jyoti Yojna and Integrated Power Development Scheme (IPDS) provides impetus to the Government's focus on rural electrification and reduction in AT&C losses.

On the renewable energy side, the Government proposed a mechanism for uptake of excessive solar power from solar pumps and announced Nil customs duty on import of solar tempered glass. Contrary to expectations and considering the Government's focus on renewables, there were no tangible steps taken in the Budget to accelerate development of the sector. Even as the government did not dole out any major benefits to the renewable sector, it has continued to provide a thrust towards expanding and ensuring access to electricity.

Real Estate and Construction

- Target date of connecting all eligible habitations with an all-weather road brought forward to March 2019 from March 2022.
- Connecting habitations to agricultural and rural markets (GrAMs), higher secondary schools and hospitals under Phase III of the Prime Minister Gram Sadak Yojana (PMGSY).
- Construction of nearly 5.1 mn houses in FY19 exclusively in rural areas under the Prime Minister Awas Yojana Scheme. In urban areas, the assistance has been sanctioned to construct 3.7 mn houses.
- Proposal to establish a dedicated Affordable Housing Fund (AHF) in National Housing Bank, funded from priority sector lending shortfall

and fully serviced bonds authorised by the Government of India.

- Rationalising of taxing income from capital gains, business profits and other sources in respect of transactions in immovable property by not making any adjustments where the circle rate value does not exceed 5% of the consideration or the market value.
- Proposal to rationalise the existing provision relating to investment in capital gain bonds by providing that the exemption shall be available only in respect of long-term capital gains arising out of sale of immoveable property and investment in the bond shall be for a minimum period of 5 years from the existing 3 years.
- Proposal to rationalise the provisions of section 56(2)(x) of the Act to provide that the receipt of any property by a wholly-owned Indian subsidiary from its holding company and by an Indian holding company from its subsidiary shall be exempt from tax.
- Amendment of the National Housing Bank Act to transfer its equity from the Reserve Bank of India (RBI) to the Government of India.
- Plans to construct 20 mn toilets under the Swachh Bharat Mission.
- Proposal to construct tunnel under Sela Pass in Arunachal Pradesh.
- Outlay of ₹ 2.04 tn for 99 cities selected under the Smart Cities Mission for implementing various projects such as Smart Command and Control Centre, Smart Roads, Solar Rooftops, Intelligent Transport Systems, Smart Parks etc. Projects worth ₹ 23.5 bn are completed and works of ₹ 208.52 bn are under progress.
- Allocation of ₹ 776.4 bn under the AMRUT programme (Atal Mission for Rejuvenation and Urban Transformation) to provide water supply to all households for 500 cities. Water supply contracts for 494 projects worth ₹ 194.28 bn and sewerage work contract for 272 projects worth ₹ 124.29 bn awarded.
- Approval of Bharatmala Pariyojana programme for connecting interior and backward areas and borders of the country to develop about 35,000 kms in Phase-I at an estimated cost of ₹ 5.35 tn.

- National Highways Authority of India (NHAI) to raise funds by organising its road assets into Special Purpose Vehicles (SPVs) and use monetising structures like Toll, Operate and Transfer (TOT) and Infrastructure Investment Funds (InvITs).
- Allocation of ₹ 5.97 tn on infrastructure for FY19 as compared to ₹ 4.94 tn in FY18.
- Capital expenditure of the Railways, majorly for capacity creation, pegged at ₹ 1.48 tn involving 18,000 km of doubling, third and fourth line works and 5,000 km of gauge conversion.
- Redevelopment of 600 major railway stations with provision of escalators for all stations with more than 25,000 footfalls. Modern train sets with state-of-the-art amenities and features expected to be commissioned during FY19.
- Proposed allocation of ₹ 110 bn to add 90 kilometers of double line tracks for Mumbai's transport system. 150 km of additional suburban network planned at a cost of over ₹ 400 bn, including elevated corridors on some sections. A suburban network of approximately 160 km at an estimated cost of ₹ 170 bn planned to cater to the growth of the Bengaluru metropolis.
- Proposal to expand the country's airport capacity by more than 5 times to handle a bn trips a year under the new initiative – NABH Nirman.

Positive

The Government's thrust on low cost homes and rationalising of taxing income of transactions in immovable property will provide the necessary impetus to both types of consumers – new home buyers and those dealing in resale activities. Additionally, the dedicated Affordable Housing Fund is expected to ease the liquidity conditions in the real estate sector. It will also provide the necessary thrust for builders to liquidate their existing inventory and renew their new development activity, thus leading to greater *industrial activity in the country. Announcements related to infrastructure development in sensitive areas of Jammu & Kashmir and Arunachal Pradesh will help to strengthen India's defence position by improving the connectivity infrastructure in such areas. Infrastructure activity related to roads and highways is expected to take a positive turn with the Bharatmala Pariyojana programme that is aimed at better connectivity of the backward areas with the rest of the country by providing strong linkages across all states. Transport infrastructure is also expected to benefit by announcements related to the capacity expansion of the Railways and airports that could lead to handling of incremental consumer and cargo traffic. With increasing level of rural-to-urban migration, announcements related to the AMRUT programme is expected to directly impact and improve the urban infrastructure activities.*

Textile & Garments

- Outlay of ₹ 71.48 bn in FY19 against ₹ 62.30 bn allocated during FY18.
- Government to finance 12% EPF contribution of new employees for first three years.
- Introduction of fixed term employment system to apparel industry.
- Minimum period of employment required for additional 30% deduction relaxed to 150 days in apparel industry.
- Reduction in corporate tax rate to 25% for companies with annual turnover of less than ₹ 2.50 bn.
- Increase in fund allocation under the Technology up-gradation fund scheme (TUFS) to ₹ 20 bn.

Marginally Positive

The special package of ₹ 71.48 bn is expected to create 0.324 mn jobs in the next three years and assist in formalisation of 0.20 mn jobs. The announcement of the special package was in-line with the expectations of the market that was severely affected by demonetisation and GST. Government's move to finance 12% of employee's contribution under the EPFO for first three years is expected to cover more workers under the formal framework. MSMEs with annual turnover of less than ₹ 2.50 bn will benefit due to reduction in corporate tax rate to 25% from 30%. This will play a favourable role for the textile sector which has significant percentage of units in MSME category with annual turnover less than ₹ 2.5 bn. TUFS received a moderate allocation of ₹ 20.13 bn. Under this scheme, plain power looms received an allocation of ₹ 683.1 mn in comparison to ₹ 480 mn in FY18. This will help power loom owners to get government's support to upgrade weaving technology without replacing the whole loom.

Personal Budget Impact Analysis

- There has been no change in Income Tax slab.
- Standard deduction of ₹ 40,000 for salaried employees is proposed. However, benefit of transport allowance of ₹ 19,200 and medical reimbursement of ₹ 15,000 are proposed to be withdrawn.
- The existing 3% education cess will be replaced by a 4% "Health and Education Cess" to be levied on the tax payable.
- Following are the incentives proposed for senior citizens:
    - Exemption of interest income on deposits with banks and post offices to be increased from ₹ 10,000 to ₹ 50,000 and TDS will not be deducted on such income. This benefit shall also be available

for interest from all fixed deposits schemes and recurring deposit schemes.

- Limit of deduction for health insurance premium and/or medical expenditure is proposed to be raised from ₹ 30,000 to ₹ 50,000 under section 80D.
- Limit of deduction for medical expenditure in respect of certain critical illness is proposed to be raised from ₹ 60,000 to ₹ 100,000 in case of senior citizens, and from ₹ 80,000 to ₹ 100,000 in case of very senior citizens, under section 80DDB.
- Pradhan Mantri Vaya Vandana Yojana (PMVVY) is proposed to be extended up to March, 2020 under which an assured return of 8% is given by Life Insurance Corporation of India. The existing limit on investment of ₹ 750,000 per senior citizen under this scheme is also being enhanced to ₹ 15,00,000.

➢ Budget has proposed to amend the Income-tax Act to notify a new scheme for assessment where the assessment will be done in electronic mode which will almost eliminate person to person contact leading to greater efficiency and transparency.

➢ Budget has proposed long term capital gains exceeding ₹ 100,000 at the rate of 10% without allowing the benefit of any indexation. However, all gains up to 31st January, 2018 will be grandfathered.

➢ Budget also proposes to introduce a tax on distributed income by equity oriented mutual fund at the rate of 10%. This will provide level playing field across growth oriented funds and dividend distributing funds.

Services

BFSI

Banking

- To allow strong Regional Rural Banks (RRBs) to raise capital from the market to enable them increase their credit to rural economy.
- Raise institutional farm credit to ₹ 11 tn for FY19.
- The coverage under Prime Minister Jan Dhan Yojana (PMJDY) to be expanded by bringing all 600 mn basic accounts within its fold. The Government will undertake measures to provide services of micro insurance and unorganised sector pension schemes through these accounts.
- Onboard public sector banks and corporates on Trade Electronic Receivable Discounting System (TReDS) platform and link this with GSTN. Online loan sanctioning facility for MSMEs will be revamped for prompt decision making by the banks.
- The Government also plans to announce measures for effectively addressing non-performing assets and stressed accounts of MSMEs.
- Lending target of ₹ 3 tn under Pradhan Mantri Mudra Yojna (PMMY) for FY19.
- Increase loans to Self Help Groups of women to ₹ 750 bn by March, 2019.

Marginally Positive

The Union Budget announcements for the banking sector are focused to build a strong, stable and resilient financial system. The institutional farm credit has been steadily increasing from ₹ 8.5 tn in FY15 to ₹ 11 tn in FY19. The Government's bank recapitalisation program with bonds of ₹ 800 bn *this year will enable the public sector banks to lend additional credit of ₹ 5 tn. Further, the Budget proposal to allow RRBs to raise capital from the market will help to increase credit growth in the economy.*

The Government's plan to onboard public sector banks and corporates on TReDS platform and plans to effectively address non-performing assets of MSMEs will enable larger financing to MSMEs and ease cash flow challenges faced by them. These measures will also help banks to address problem of stressed assets on their balance sheet.

Insurance

- The Government announced the world's largest government health care programme titled National Health Protection Scheme to cover over 100 mn poor and vulnerable families (approximately 500 mn beneficiaries) providing coverage upto ₹ 0.5 mn per family per year for secondary and tertiary care hospitalisation.
- The Government plans to cover all poor households, including SC/ ST households, under Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBJ) in a mission mode.
- The Government has proposed the listing of two insurance companies on the stock exchanges. It also proposed to merge three public sector general insurance companies i.e. National Insurance Company Ltd., United India Assurance Company Limited and Oriental India Insurance Company Limited into a single insurance entity. And this entity will be subsequently listed.
- The limit of deduction for health insurance premium and/ or medical expenditure to be raised from ₹ 30,000 to ₹ 50,000, under section 80D for senior citizens. Further, limit of deduction for medical expenditure in respect of certain critical illness is proposed to be raised from ₹ 60,000 to ₹ 100,000 in case of senior citizens, and from ₹ 80,000 to ₹ 100,000 in case of very senior citizens, under section 80DDB.

Positive

The Government's announcement to launch the world's largest government healthcare programme will help insurance sector to expand penetration to the poorest and vulnerable section of the society. The Government's Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) has benefitted 52.2 mn families and Pradhan Mantri Suraksha Bima Yojana has benefitted 130.25 mn persons. It plans to expand its coverage to all poor households, including SC/ST households.

The Budget proposal to merge and subsequently list three public sector general insurance companies will help consolidation and improve efficiencies in the insurance sector.

Financial Service and Market

Financial Services

- The Government plans to leverage the India Infrastructure Finance Corporation Limited (IIFCL) to help finance major infrastructure projects, including investments in educational and health infrastructure, on strategic and larger societal benefit considerations.
- The Government proposes to set up an Agri-Market Infrastructure Fund with a corpus of ₹ 20 bn for developing and upgrading agricultural marketing infrastructure in the 22,000 Grameen Agricultural Markets (GrAMs) and 585 Agriculture Produce Market Committees (APMCs).
- The Government is planning to establish specialised agro-processing financial institutions for boosting growth in the food processing sector.
- The Government proposes to set up a Long Term Irrigation Fund (LTIF) in NABARD for meeting funding requirement of irrigation works.
- The Government announced setting up a Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) for fisheries sector and an

Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector. Total corpus of these two new funds would be ₹100 bn.

- The Government plans to establish a dedicated Affordable Housing Fund (AHF) in National Housing Bank, funded from priority sector lending shortfall and fully serviced bonds authorised by the Government of India.

Security Market

- The Government proposes to tax long term capital gains exceeding ₹ 0.1 mn at the rate of 10% without allowing the benefit of any indexation. However, all gains up to 31st January, 2018 will be grandfathered. Further, the government also proposes to introduce a tax on distributed income by equity oriented mutual fund at the rate of 10% in order to provide level playing field across growth oriented funds and dividend distributing funds.

- The Government along with concerned regulators plan to take necessary action to permit investments in bonds with 'A' ratings from currently permitted 'AA' grade ratings.

- The Government proposes to take reform measures with respect to stamp duty regime on financial securities transactions in consultation with the States and make necessary amendments in the Indian Stamp Act.

- To further the objective of developing a world class International Financial Services Centre in India, the Government proposes to provide two more concessions for IFSC. With an objective to promote trade in stock exchanges located in IFSC, the Government proposes to exempt transfer of derivatives and certain securities by non-residents from capital gains tax. Further, non-corporate taxpayers operating in IFSC shall be charged Alternate Minimum Tax (AMT) at concessional rate of 9% at par with Minimum Alternate Tax (MAT) applicable for corporates.

- With an aim to enable International Financial Service Centre (IFSC) at Gift City to fully develop and to compete with other offshore financial centres, the Government proposes to establish a unified authority for regulating all financial services in IFSCs in India.

- The Government plans to review existing guidelines and processes and bring out a coherent and integrated Outward Direct Investment (ODI) policy. It also plans to evolve a separate policy for the hybrid instruments which are suitable for attracting foreign investments in several niche areas, especially for the startups and venture capital firms.

Digital Economy

- The Government proposes to initiate a national program to direct its efforts in the area of artificial intelligence, including research and development of its applications. The Government proposed to double the allocation on Digital India programme to ₹ 30.73 bn in FY19.
- The Government plans to take all measures to eliminate use of crypto-assets in financing illegitimate activities or as part of the payment system. It plans to explore use of block chain technology proactively for ushering in digital economy.

Neutral

The Union Budget announced several initiatives for the financial services sector such as setting up of Agri Market Infrastructure Fund, Long Term Irrigation Fund in NABARD, Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) for fisheries sector etc. These initiatives are likely to help achieve critical finance needs for the development of respective sectors.

The Government proposed several measures to develop a world class International Finance Service Centre which will enable it to compete with other offshore service centres and attract foreign funds in Indian securities market. The Government has also proposed several Digital initiatives in order to invest in research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and Internet of things. These initiatives would help India *establish itself as a knowledge and digital society. Given the influence of digital technology in BFSI sector, these developments will be very critical.*

However, the announcement to levy Long Term Capital Gain Tax of 10% will discourage fund flow to the Indian securities market and will negatively impact the sector.

Hospitality

- Budget has announced the promotion of tourism and emergency medical care by creation of necessary framework for supporting investment in sea plane activities.
- Development of 10 prominent tourist sites as iconic tourism destinations through an approach covering infrastructure and skill development, technology, private investment, marketing & branding.
- Enhancement of visitor experience by upgrading tourist amenities at 100 Adarsh monuments of the Archaeological Survey of India (ASI).
- Indian Railways is designing modern trains with state-of-the-art amenities at the Integrated Coach Factory Perambur, first such train set will be commissioned during 2018-19.
- Renewed focus on National Heritage City Development and Augmentation Yojana (HRIDAY).
- Regional Connectivity Scheme - UDAN will connect 56 unserved airports and 31 unserved helipads across the nation.
- Expansion of airport capacity by five times to accommodate a bn trips a year, under the new initiative NextGen Airports for Bharat (NABH) Nirman.

Marginally Positive

The hospitality sector is likely to benefit given the announcement regarding development of 10 iconic tourist destinations. Improving the visitor experience at 100 Adarsh monuments will also enhance India's image as a tourism destination. Since the hospitality sector is highly dependent on the state of infrastructure, increased thrust and fund allocation for infrastructure will provide much required push to the sector albeit in the midterm. The new initiative NABH Nirman in the aviation sector proposes to increase airport capacity five-fold thus providing an impetus to the hospitality sector. The regional connectivity scheme UDAN would help regional tourism.

Further, trains with state-of-the art amenities, redevelopment of 600 railway stations and provision of escalators at all railway stations with more than 25,000 footfalls will enhance the travel experience. Installation of CCTVs at stations and on trains would improve safety of passengers. In addition, the completion of 9000 kms of National Highways, Bharatmala Pariyojana and capacity enhancement of rail network will provide superior supporting infrastructure to the hospitality industry. Extending the benefit of reduced corporate tax to MSMEs with turnover up to ₹ 2.5 bn may positively impact the profitability of the industry. Overall, the impact of Budget 2018-19 is essentially positive for the hospitality sector, however, developments in supplementary sectors like infrastructure alone are not sufficient.

IT and ITeS

- NITI Aayog to initiate a national program to direct efforts in the area of artificial intelligence, including research and development of its applications.

- To invest in research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and Internet of things, Department of Science & Technology (DoST) to launch a mission on, "Cyber Physical Systems" to support establishment of centers of excellence.
- Allocation on Digital India programme to be doubled to ₹ 30.73 bn in FY19.
- The Government to explore use of block chain technology proactively for ushering in digital economy.
- In order to encourage seamless road travel, the Government has decided to encourage "Fastags". Moreover, the Government will come out with a policy to introduce toll system on "pay as you use" basis.
- The Government is working on policy and institutional development measures needed for creating right environment for Fintech companies to grow in India.
- The Budget also provides highlights on how the Government is transforming its business by introducing e-office and other e-governance initiatives in central Ministries and Departments.
- The Government plans to increase the digital intensity in education and move gradually from "black board" to "digital board". Technology will also be used to upgrade the skills of teachers through the recently launched digital portal "DIKSHA".

Positive

The announcements made in the Union Budget are likely to impact the IT and ITeS sector both directly and indirectly. The announcements made by the Government show that it is ready to encourage the usage of latest technology, which will provide boost to the Information Technology sector. By increasing spending on Digital India program, the Government *is trying to spread eco-system of digital transactions, which is going to help IT and ITeS companies in future. Investment in research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and Internet of things will provide trained resources for the IT and ITeS sector. Plans such as promotion of fintech companies will go a long way in encouraging growth of information technology and related sectors in India.*

Media & Entertainment

- Proposal to set up 0.5 mn Wi-Fi hotspots in rural areas to increase penetration of broadband access.
- DOT will support establishment of an indigenous 5G Test bed at IIT, Chennai.

Neutral

The allocation of ₹ 100 bn for setting up 0.5 mn Wi-Fi hotspots will increase the penetration of broadband access to 50 mn rural citizens. This will facilitate easy access to Internet, Internet banking/payments/retail, online education, and Internet of Things (IoT). DOT's move of setting up 5G test bed will be a stepping stone for harnessing the benefits of emerging new technologies such as seamlessly fast Internet service, remote surgery, virtual reality and smooth live video streaming.

Retail

- Customs duty on mobile phones increased to 20% from 15%.
- Customs duty on perfumes and toiletry preparations increased to 20% from 10%.
- Customs duty on footwear and part of footwear increased to 20% from 10%.
- Allocation to Digital India programme doubled to ₹ 30.73 bn.
- Allocation of ₹ 31 bn under Rashtriya Krishi Vikas Yojana (RKVY) for cold storage, godowns, glass houses, custom hiring centres, soil/ seed testing labs etc.
- Allocation resources on Scheme for Cold Chain and Value Addition Infrastructure for 101 projects amounting to ₹ 11 bn (including EBR).

Neutral

While the Union Budget has not announced any major changes which impacts the retail sector in a big way, measures to address rural distress are likely to provide impetus to rural demand and hence is positive for this sector. Further, continued thrust on infrastructure sector and increased budgetary allocation are likely to improve supply chain in India which has been the biggest drag on the overall competitiveness in India. However, customs duty on some products have been increased which will mean higher outgo for consumers on products such as mobile phones, footwear, perfumes and toiletry preparations. This also indicates incentivising domestic production and Make in India initiative.

Moreover, proposed increase to Digital India programme is expected to boost the e-commerce and e-retailing businesses in India, thereby helping retail sector to grow further.

Telecom

- The Government expects approximately 58% increase in revenue in the form of license fees and spectrum charges at ₹ 486.61 bn from the telecom sector in FY19 against the revised revenue estimate of ₹ 307.36 bn in FY18.
- Budgetary allocation for capital outlay to the Department of Telecommunications (DoT) for Defence Spectrum - Optical Fibre Cable based network for Defence Services increased to ₹ 45.00 bn in FY19 from ₹ 37.55 bn in FY18.
- Allocation of budgetary resources to the Investment in CPE (Bharat Broadband Network Ltd.) increased to ₹ 169.86 bn in FY19 from ₹ 97.86 bn in FY18.
- 500,000 additional wi-fi hotspots to be provided with the broadband access benefiting to 50 mn rural citizens in FY19 under Bharatnet Project. Under the phase I of Bharatnet project in FY18, 100,000 gram panchayats have been connected through high speed optical fiber network which has enabled broadband access to over two bn rural Indians in about 2.5 mn villages.
- ₹ 100 bn to be provided for creation and augmentation to telecom infrastructure.
- DoT to support establishment of an indigenous 5G Test Bed at Indian Institute of Technology (IIT), Chennai.
- Increase in customs duty on preform of silica for use in the manufacture of telecommunication grade optical fibers or optical fiber cables to 5% in FY19 from Nil in FY18.
- Increase in customs duty on mobile phones to 20% in FY 19 from 15% in FY18.
- Increase in customs duty on specified parts and accessories of cellular mobile phones to 15% in FY19 from 7.5% and 10%, respectively in FY18.

- Increase in customs duty on PCBA of charger/adapter and molded plastics of charger/adapter of cellular mobile phones to 10% in FY19 from Nil in FY18.
- Increase in customs duty on lithium-ion batteries to 20% in FY19 from 10% in FY18. Effective rate of import duty on lithium-ion batteries (other than lithium-ion batteries for cellular mobile phones) will, however, remain unchanged at 10%.

Marginally Positive

There were no major announcements in the Budget for the telecom sector apart from the proposed allocation of ₹ 100 bn for BharatNet Project. The budgetary allocation towards the sector has increased significantly for Defense Spectrum and Bharat Broadband Network Ltd.

The proposed increase in customs duty on mobile phone equipment, specified parts and accessories for mobile phones and lithium-ion batteries are expected to incentivise domestic manufacturing and boost the Make in India initiative.

WITH THE VISION AND A PROMISE TO GO BEYOND: 3i INFOTECH TO LEAD DIGITAL TRANSFORMATION FOR ENTERPRISES

Over the years, 3i Infotech has successfully transformed business operations of its customers globally, with a comprehensive set of IP based software solutions and a wide range of IT services to address dynamic requirements of Banking, Insurance, Capital Markets, and Asset & Wealth Management (BFSI).

3i Infotech has launched a new corporate logo that reflects both its evolution and vision for the future. The new corporate logo brings to life the brand's refreshed promise of creating new opportunities, value for its clients while underscoring the strength and focus of its products and services portfolio, thus offering "**Limitless Excellence**" to all stakeholders.

With the growing impact of emerging technologies and escalating digital transformation efforts, across industries, whether it is Artificial intelligence (AI), Blockchain, Internet of things (IoT) or virtual/augmented reality, the Company has consolidated its service offerings to help enterprises in their digital journey, in India & globally.

3i Infotech with years of deep domain expertise across the BFSI, Healthcare and Government spectrum pivots its offerings on three distinct areas, namely co-innovation for transformation; customer centric and modular frameworks based on a curated technology stack for adept deployments & quantifiable outcomes that will maximize ROI and enable easy technology adoption and effortless scalability for enterprises . Its pursuit of the highest standards to deliver superior experience to its stakeholders, defines the ethos of the Services brand – **Altiray™**

With a mobility and portal framework, through **AxES** (Accelerate, Enable, Scale), 3i Infotech aims to catalyse digital adoption for mid-sized and large enterprises, B2B as well as B2C, with built-in end-to-end framework elements. The digital frameworks are optimized to deliver the much-needed core business transformation.

The Company's offerings cater to all levels of the **Mobility** maturity curve, covering Consulting, Design & Development, Data Testing, Support, Data Intelligence & Co-Innovation. Mobility, with new-age technologies like IoT, AR/VR etc., will form the bedrock for enterprises seeking digital transformation.

The Company's innovative solution around '**Co-Innovation**', is engineered to be an effective offering, for faster & model-based transformation. Co-innovation is an economical, agile way of sifting through viable and unviable concepts. A strong partner and start-up eco-system provides access to niche & new technology areas for enterprise.

3i Infotech's domain capability is evident in '**CRUX**' (Customer Reach & User Experience), a digital transformation solution for Insurance and Banking with a 360º approach for a holistic transformation. Similarly, **'Momenta'**, the **Analytics Marketplace** includes pre-built Analytics apps, supporting a multitude of industries & business functions where each app manages end-to-end processes.

In a world where 'Cloud – First' approach is rapidly adopted by organizations, 3i Infotech helps enterprises move towards digital transformation with Hybrid Cloud, through the offering '**HybridNxT**'. The Company will also continue to invest heavily in the areas of TaaS, DevOps, Agile, and CT (Continuous Testing framework) to meet the demands of enterprises.

To make the journey on the cloud seamless for enterprises, the Company will also provide an interactive framework - '**CReAT**' - Cloud Readiness Assessment for Transformation, which is based on financial savings, responsiveness, business impact and compliance. This will help customers take decisions on their cloud journey. Customers can prioritise workloads to be migrated, as well as decide applications to be re-architected or re-engineered with minimum resources and maximum benefits to business.

A Robust Product Portfolio Empowering Business Transformation for enterprises:

The organization has marked its presence in Asia Pacific, South Asia, Middle East & Africa, Kingdom of Saudi Arabia, Western Europe and North America, providing a platter of end-to-end solutions that offer product innovation, faster time to market, efficient business processes, productivity & cost savings, enhanced customer service and comprehensive risk management.

3i Infotech offers end-to-end solutions that enable banks and financial institutions to efficiently onboard and service clients through multiple channels, handle their treasury, manage risks and comply with regulatory requirements along with financial crime management. Its varied offerings include:

- **Kastle® ULS** – an innovative Lending solution with comprehensive retail, corporate and Islamic finance and leasing capabilities encompassing origination, management, collections and customer service.
- **AMLOCK®** – a Chartis listed Anti-money Laundering solution offering regulatory compliance for over 30 countries
- **AMLOCKLite – FS** provides NBFCs a comprehensive compliance solution for anti-money laundering (AML) & counter - terrorist financing (CFT)
- **Kastle® Treasury** – a front-to-back Integrated Treasury Management solution covering asset classes such as domestic treasury, forex, derivatives, commodities, funding and issuance
- **Kastle® Risk Management** – an Enterprise Risk Management solution covering credit, liquidity and market risk management and complying to Basel III guidelines
- **Kastle® CBS** – a scalable customer-centric Core Banking solution covering CIF management, Deposits, Loans, Remittances and

Enterprise Financials

- **Kastle® Factoring** – a flexible Receivables and Payables Finance solution that helps unlock potential in open account trade
- **Kastle® Digital Banking** – a Digital extension of 3i Infotech's core solutions to end-customers, sales force, collections agencies and business partners through an omni-channel platform

3i Infotech offers insurance organizations an array of powerful solution accelerators and software that enable efficient end-to-end management of insurance business processes. The products include:

- **Premia® Insurance Management Suite** empowers 115+ Insurance companies to deliver best in class solutions across domains, which include **Life, General, Health, Group Life, Islamic Insurance and Takaful Insurance**. Premia®'s value propositions include an array of powerful solution accelerators which enables efficient **end-to-end management of insurance processes**. With the help of Premia®, customers can drive new business acquisitions through a digital eco-system.
- **MFund®**, is a comprehensive, multi-currency enabled web based application designed to provide a powerful automation tool to various financial institutions undertaking **Fund Management** activities. 3i Infotech has proven expertise in **Investment Management** with MFund® and Quantis Suite which are the market leaders in India & Malaysia and have 100+ customers spanning 10 countries across the globe.

3i Infotech has made sustained investments in best-in-class technology and services to give enterprises the right ERP applications. The products include:

- **ORION® ERP** is an integrated, cost-effective and cloud-enabled industry solution for growing and mid-sized enterprises. Built on future-ready technology stack, it empowers organisations to optimise business processes and make informed decisions through anytime access to dashboards and analytics. ORION® process packs are flexible and scalable solutions that cater to various industries. They facilitate rapid implementation enabling businesses to continuously improve on efficiency and reduce operational costs. Backed by robust service support, ORION® ERP is a globally trusted partner to more than 800 customers with over 1,000 installations and 50,000+ users across multiple verticals.

3i Infotech has also extended its product line to include **GeSTup™**, an application that effectively addresses the compliance requirements of the Goods and Services Tax (GST), India's largest tax reform. 3i Infotech is also approved by the GSTN (GST Network) as a GST Suvidha Provider (GSP).

With its unique proposition of agility, passion and empathy, 3i Infotech brings together experience and learnings to give clients the surety of beneficial outcomes across the spectrum.

3i Infotech
LIMITLESS EXCELLENCE

EXPENDITURE OF MINISTRIES AND DEPARTMENTS

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
Department of Agriculture, Cooperation and Farmers' Welfare	411	467	13.6
Department of Agricultural Research and Education	70	78	11.6
Department of Animal Husbandry, Dairying and Fisheries	22	31	43.1
Atomic Energy	132	140	5.8
Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)	16	16	4.4
Department of Chemicals and Petrochemicals	6	2	-68.5
Department of Fertilisers	650	701	7.8
Department of Pharmaceuticals	3	3	-1.7
Ministry of Civil Aviation	27	66	143.6
Ministry of Coal	7	8	3.8
Department of Commerce	56	53	-6.3
Department of Industrial Policy and Promotion	55	61	11.8
Department of Posts	119	115	-3.6
Department of Telecommunications	244	281	15.1
Department of Consumer Affairs	37	18	-52.0
Department of Food and Public Distribution	1459	1742	19.4
Ministry of Corporate Affairs	5	6	8.3
Ministry of Culture	27	28	6.6
Ministry of Defence (Misc.)	160	162	1.3
Defence Services (Revenue)	1765	1853	5.0
Capital Outlay on Defence Services	865	940	8.7
Defence Pensions	950	1089	14.6
Ministry of Development of North Eastern Region	27	30	11.8
Ministry of Drinking Water and Sanitation	240	224	-6.9
Ministry of Earth Sciences	16	18	12.7
Ministry of Electronics and Information Technology	40	60	48.6
Ministry of Environment, Forests and Climate Change	27	27	0.0

EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
Ministry of External Affairs	137	150	9.6
Department of Economic Affairs	116	127	9.8
Department of Expenditure	3	4	35.7
Department of Financial Services	170	66	-61.2
Department of Investment and Public Asset Management (DIPAM)	0	0	3.5
Department of Revenue	634	907	43.1
Direct Taxes	65	70	7.4
Indirect Taxes	79	78	-0.3
Indian Audit and Accounts Department	41	43	4.7
Interest Payments	5308	5758	8.5
Repayment of Debt	-	-	-
Pensions	402	464	15.6
Transfers to States	1203	1429	18.8
Ministry of Food Processing Industries	7	14	95.8
Department of Health and Family Welfare	516	528	2.4
Department of Health Research	17	18	3.2
Department of Heavy Industry	11	11	1.7
Department of Public Enterprises	0	0	7.6
Ministry of Home Affairs	51	48	-6.0
Cabinet	8	8	2.7
Police	823	879	6.8
Andaman and Nicobar Islands	47	45	-4.8
Chandigarh	43	41	-4.5
Dadra and Nagar Haveli	10	11	10.0
Daman and Diu	8	8	-0.9
Lakshadweep	12	14	14.7
Transfers to Delhi	8	8	4.2
Transfers to Puducherry	15	15	-0.5
Ministry of Housing and Urban Affairs	408	418	2.5

3i Infotech
LIMITLESS EXCELLENCE

EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
Department of School Education and Literacy	470	500	6.4
Department of Higher Education	349	350	0.4
Ministry of Information and Broadcasting	36	41	13.4
Ministry of Labour and Employment	66	77	17.0
Law and Justice	42	44	4.7
Election Commission	2	3	41.2
Supreme Court of India	3	3	-1.5
Ministry of Micro, Small and Medium Enterprises	65	66	1.1
Ministry of Mines	13	17	27.1
Ministry of Minority Affairs	42	47	12.0
Ministry of New and Renewable Energy	41	51	26.1
Ministry of Panchayati Raj	7	8	14.7
Ministry of Parliamentary Affairs	0	0	2.6
Ministry of Personnel, Public Grievances and Pensions	16	15	-2.1
Central Vigilance Commission	0	0	5.1
Ministry of Petroleum and Natural Gas	332	311	-6.3
Ministry of Planning	3	3	21.4
Ministry of Power	149	150	0.9
Staff, Household and Allowances of the President	1	1	4.5
Lok Sabha	7	8	18.1
Rajya Sabha	4	4	1.0
Secretariat of the Vice-President	0	0	-15.3
Union Public Service Commission	2	3	23.3
Ministry of Railways	418	551	31.7
Ministry of Road Transport and Highways	610	710	16.4
Department of Rural Development	1090	1124	3.1
Department of Land Resources	18	25	37.1
Department of Science and Technology	47	51	8.2
Department of Biotechnology	23	24	6.7

EXPENDITURE OF MINISTRIES AND DEPARTMENTS (Cont.)

(₹ bn)	**2017-18 Revised Estimates**	**2018-19 Budget Estimates**	**% Change**
Department of Scientific and Industrial Research	46	48	3.6
Ministry of Shipping	16	19	20.0
Ministry of Skill Development and Entrepreneurship	24	34	44.3
Department of Social Justice and Empowerment	69	78	12.2
Department of Empowerment of Persons with Disabilities	10	11	12.0
Department of Space	92	108	17.8
Ministry of Statistics and Programme Implementation	48	49	1.6
Ministry of Steel	0	0	8.5
Ministry of Textiles	63	71	14.3
Ministry of Tourism	18	22	21.0
Ministry of Tribal Affairs	53	60	12.6
Ministry of Water Resources, River Development and Ganga Rejuvenation	77	89	15.7
Ministry of Women and Child Development	212	247	16.3
Ministry of Youth Affairs and Sports	19	22	13.3
Grand Total	**22178**	**24422**	**10.1**
Central Sector Schemes/Projects	6343	7089	11.8
Centrally Sponsored Schemes	2856	3055	7.0
Establishment Expenditure of the Centre	4689	5084	8.4
Finance Commission Grants	1015	1094	7.8
Other Central Sector Expenditure	6380	6780	6.3
Other Grants/Loans/Transfers	894	1320	47.6

Source: Union Budget FY19

3i Infotech
LIMITLESS EXCELLENCE

SCHEMATIC OUTLAYS UNDER EDUCATION, HEALTH AND SOCIAL PROTECTION SECTORS

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
Health & Family Welfare	**474**	**528**	**11.5**
CSS+CS in Health	**347**	**392**	**13.1**
of which			
PMSSY	40	38	-3.8
National AIDS and STD Control programmme	20	21	5.0
National Rural Health Mission	212	243	14.6
National Urban Health Mission	8	9	16.4
Human Resoruces for Health & Medical Education	40	42	5.0
Tertiary care programme	7	8	3.4
RSBY	10	20	100.0
AYUSH	**14**	**16**	**13.8**
CSS+CS	**5**	**6**	**13.2**
of which			
NAM	4	5	14.3
Health Research	**15**	**18**	**20.0**
School Education	**464**	**500**	**7.9**
CSS+CS	**390**	**424**	**8.7**
of which			
SSA	235	261	11.2
RMSA	38	40	5.0
Mid day meal	100	105	5.0
Higher Education	**333**	**350**	**5.0**
CS+CSS	**55**	**85**	**54.0**
of which			
Rashtriya Uchchatar Shiksha Abhiyan (RUSA)	13	14	7.7
Interest subsidy and contribution for guarantee fund	20	22	10.3

SCHEMATIC OUTLAYS UNDER EDUCATION, HEALTH AND SOCIAL PROTECTION SECTORS (Cont.)

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
HEFA	3	28	1000.0
e-Shodh Sindu	2	2	-25.0
Technical Education- Quality Improvement Programme	3	3	5.8
Scholarship for College and University Students	3	3	6.3
Programme for Apprenticeship Training - Scholarships & Stipentes	1	1	13.6
World Class Institutions	1	3	400.0
Setting up of virtual class room	1	1	20.0
Madan Mohan Malviya National Mission on Teachers and Teaching	1	1	0.0
ABs	**269**	**253**	**-5.8**
of which			
Indian Institutes of Technology	79	63	-19.5
IIM	10	10	0.6
Rural Development			
National Social Assistance Program	95	100	5.0
Social Justice	**69**	**78**	**12.2**
CS+CSS	**68**	**77**	**12.2**
of which			
Prematric Scholarship (SC)	1	1	150.0
Post-matric scholarship (SC)	33	30	-10.4
Special Central Assistance to SC sub schemes	8	10	25.0
Post-matric scholarship for OBC	9	11	24.3
Pre-matric scholarship for OBC	1	2	63.4
National fellowship for SCs	2	3	30.4

SCHEMATIC OUTLAYS UNDER EDUCATION, HEALTH AND SOCIAL PROTECTION SECTORS (Cont.)

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
Empowerment of Persons with Disability	**9**	**11**	**25.1**
CS+CSS	**6**	**7**	**33.1**
of which			
Assistance to Disabled Persons for purchase/ fitting of Aids and appliances	2	2	46.7
Schemes for Implementation of Persons with Disability Act	2	3	44.9
Department of Women and Child Development	**221**	**247**	**11.8**
CSS	**218**	**245**	**11.9**
of which			
Anganwadi Services	152	163	7.1
Schemes for Adolescent girls	5	5	8.7
Pradhan Mantri Matru Vandana Yojana	27	24	-11.1
Nirbhaya Fund Schemes	5	5	0.0
Child Protection Scheme	6	7	11.9
National Nutrition Mission	15	30	100.0
Mission for protection and empowerment of women (Umbrella)	11	14	25.4
Minority Affairs	**42**	**47**	**12.0**
CS+CSS	**40**	**45**	**12.4**
of which			
Education Empowerment	21	25	19.4
Skill Development & Livelihood	6	6	-5.2
MSDP	12	13	10.0
TOTAL of Schemes (CS+CSS)	**1,224**	**1,380**	**12.7**
Demand/Ministry-wise total featured above, except for MoRD	1,640	1,795	9.4

Source: Union Budget FY19

CAPITAL OUTLAY ON INFRASTRUCTURE SECTOR

(₹ bn) Ministry/Department	2017-18 Revised Estimates	2018-19 Budget Estimates	% Change
Ministry of Coal	145	158	9.1
Ministry of Development of North Eastern Region	3	6	81.8
Ministry of New and Renewable Energy	95	103	8.4
Ministry of Petroleum and Natural Gas	889	929	4.5
Ministry of Power	652	548	-16.0
Ministry of Civil Aviation	27	41	51.7
Department of Telecommunication	135	215	58.7
Ministry of Defence (Misc)	49	55	11.8
Ministry of Railways	1200	1465	22.1
Department of Atomic Energy	92	73	-20.6
Ministry of Housing and Urban Affairs	390	614	57.2
Ministry of Road Transport and Highways	1101	1214	10.2
Ministry of Shipping	33	43	30.5
Ministry of Steel	114	113	-1.2
Department of Higher Education	3	308	12200.0
Ministry of Electronics & Information Technology	14	88	515.2
Grand Total	**4943**	**5971**	**20.8**

Source: Union Budget FY19

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RECEIPTS

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates
A. REVENUE RECEIPTS		
1. Tax Revenue		
Gross Tax Revenue	19,461	22,712
Corporation Tax	5,637	6,210
Taxes on Income	4,413	5,290
Wealth Tax		
Customs	1,352	1,125
Union Excise Duties	2,770	2,596
Service Tax	795	
Goods and Services Tax (GST)	4,446	7,439
CGST	2,214	6,039
IGST	1,619	500
GST Compensation Cess	613	900
Taxes on Union Territories	47	52
Less - NCCD transferred to the National Calamity Contingency Fund/National Disaster Response Fund	37	25
Less - State's share	6,730	7,881
1.a Centre's Net Tax Revenue	12,695	14,806
2. Non-Tax Revenue	**2,360**	**2,451**
Interest receipts	136	152
Dividend and Profits	1,064	1,073
External Grants	37	27
Other Non Tax Revenue	1,104	1,179
Receipts of Union Territories	19	21
Total Revenue Receipts (1.a + 2)	**15,054**	**17,257**
3. Capital Receipts		
A. Non-debt Receipts		
(i) Recoveries of loans and advances@	175	122
(ii) Miscellaneous Capital Receipts	1,000	800
B. Debt Receipts*	**6,342**	**5,812**
Total Capital Receipts (A+B)	**7,517**	**6,734**
Total Receipts (1.a+2+3)	**22,571**	**23,991**
4. DRAW-DOWN OF CASH BALANCE	**(394)**	**431**
Receipts under MSS (Net)	-	-

@ Excludes recoveries of short-term loans and advances.

** The receipts are net of payment.*

Source: Union Budget FY19

EXPENDITURE

(₹ bn)	2017-18 Revised Estimates	2018-19 Budget Estimates
A. Centre's Expenditure		
I. Establishment Expenditure of Centre	4,689	5,084
II. Central Sector Schemes/Projects	6,343	7,089
III. Other Central Sector Expenditure	6,380	6,780
of which Interest Payments	5,308	5,760
B. Centrally Sponsored Schemes and other Transfers		
IV. Centrally Sponsored Schemes	2,856	3,055
V. Finance Commission Grants	1,015	1,094
VI. Other Grants/Loans/Transfers	894	1,320
Grand Total	22,178	24,422

Source: Union Budget FY19

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KEY ECONOMIC INDICATORS
(Absolute Values)

	2015-16	2016-17	2017-18
Gross Domestic Product at factor cost (₹ tn)			
At current market prices	138	153	166 [a]
At 2011-12 prices	114	122	130 [a]
Output			
Foodgrains (mn tonnes)	252	276	135 [b]
Power generation (by utilities) (bn units)	1108	1160	906 [c]
Prices (Average)			
Wholesale Price Index (All commodities)	110	112	114 [d]
CPI-Combined (Rural & Urban) (Base 2012)	125	130	134 [d]
External Sector (US$ bn)			
Export	262	276	223 [d]
Import	381	383	340 [d]
Current Account Balance (net)	-22	-15	-22 [e]
Foreign Direct Investment (net)	36	36	20 [e]
Monetary and Finance			
Money Supply (M3) (₹ tn)*	116	128	134 [f]
Foreign Exchange Reserves (US$ bn)*	360	370	415 [g]
Exchange rate (₹/US$) (Average)	65.44	67.09	64.40 [h]

Footnotes - a: Advance Estimates; b: 1st Advance Estimates for Kharif foodgrains only; c: Apr-Dec FY18 (tentative); d: Apr-Dec FY18; e: Q1 and Q2 FY18; f: As of 5 Jan, 2018; g: Upto 19 Jan, 2018; h: Apr-Jan FY18; *: Outstanding till date

Source: RBI, CSO, Ministry of Commerce, Ministry of Power, Ministry of Agriculture & Farmers Welfare

KEY ECONOMIC INDICATORS
(Percentage Change Over Previous Year)

(%)	2015-16	2016-17	2017-18
Gross Domestic Product at factor cost			
At current market prices	10.4	10.8	9.0 [a]
At 2011-12 prices	8.2	7.1	6.5 [a]
Sectoral Growth Rates at Constant (2011-12) prices			
Agriculture & allied	0.6	6.3	0.9 [a]
Industry	9.8	6.8	2.7 [a]
Services	9.6	7.8	8.3 [a]
Prices (Average)			
Wholesale Price Index (All commodities)	-3.7	1.7	2.9 [d]
CPI-Combined (Rural & Urban) (Base 2012)	4.9	4.5	3.3 [d]
External Sector			
Export	-15.5	5.4	11.6 [d]
Import	-15.0	0.5	22.2 [d]
Foreign Direct Investment (net)	15.3	-1.1	-6.3 [e]
Monetary and Finance			
Money Supply (M3)*	10.1	10.1	10.7 [f]
Foreign Exchange Reserves*	5.4	2.7	14.3 [g]
Exchange rate (₹/US$) (Average)	7.0	2.5	-4.2 [h]

Footnotes - a: Advance Estimates; d: Apr-Dec FY18; e: Q1 and Q2 FY18; f: As of 5 Jan, 2018; g: Upto 19 Jan, 2018; h: Apr-Jan FY18; *: Outstanding till date

Source: RBI, CSO, Ministry of Commerce, Ministry of Power, Ministry of Agriculture & Farmers Welfare

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GLOSSARY

Appropriation Bill: This Bill entails the Parliament's approval for withdrawal of money from the Consolidated Fund to pay off expenses. After the Demands for Grants are voted by the Lok Sabha, the Parliament approves this bill. Under Article 114(3) of the Constitution, no amount can be withdrawn from the Consolidated Fund without the enactment of such a law by the Parliament.

Capital Expenditure: It is the expenditure incurred on acquisition of assets like land, buildings, machinery, equipment etc and also loans and advances granted by the Central Government to State and Union territories, Public sector enterprises and other parties. This expenditure is also categorised as plan and non-plan capital expenditure.

Capital Receipts: Capital receipts include loans raised by the Government from public which are called Market Loans, borrowings by the Government from the Reserve Bank of India and other parties through sale of Treasury Bills, loans received from foreign Governments and bodies and recoveries of loans granted by Central Government to State and Union Territory Governments and other parties.

Consolidated Fund: All revenues received by the Government, loans raised by it, and also its receipts from recoveries of loans granted by it, form the Consolidated Fund. All expenditure of the Government is incurred from the Consolidated Fund and no amount can be withdrawn from the Fund without authorisation from the Parliament.

Contingency Fund: It is an imprest from the Consolidated Fund, and may be used by the Government without waiting for an appropriation bill to be passed by the Parliament. If it becomes necessary for the Government to incur expenditure not included in the budget, it can do so from the Contingency Fund.

Customs Duties: Customs duty is a type of indirect tax levied on goods imported into India as well as on goods exported from India.

Effective Revenue Deficit: Effective Revenue Deficit is the difference between revenue deficit and grants for creation of capital assets.

Exceptional Grant: Through the Exceptional Grant the House of People can make provision for an exceptional grant that does not form part of the current service of any financial year.

Excise Duties: Central excise duty is an indirect tax levied on those goods which are manufactured in India and are meant for home consumption.

Finance Bill: At the time of presentation of the Annual Financial Statement before the Parliament, a Finance Bill is also presented in fulfilment of the requirement of Article 110(1) (a) of the Constitution, detailing the imposition, abolition, remission, alteration or regulation of taxes proposed in the Budget. A Finance Bill is a Money Bill as defined in Article 110 of the Constitution.

Fiscal Deficit: The difference between the total expenditure of the Government by way of revenue, capital and loans net of repayments on the one hand and revenue receipts of the Government and capital receipts which are not in the nature of borrowing but which finally accrue to the Government on the other, constitutes fiscal deficit.

Non-Plan Expenditure: It includes expenses that do not form a part of the Government's five year plan. These expenses consist of revenue and capital expenditure on defense, subsidies, interest payments, postal deficit, pensions, police, loans to public sector enterprises, economic services and loans as well as grants to State Governments, Union Territories and foreign Governments.

Non-Tax Revenues: Revenues earned by the Government from sources other than taxes are termed as non-tax revenues. The sources of non-tax revenues may include; dividends and profits received from public sector companies, interest receipts, fines, penalties and fees for various services rendered by the Government.

Plan Expenditure: It consists of both revenue expenditure and capital expenditure of the Centre on the Central Plan and Central Assistance to States and Union Territories. Plan expenditure reflects the Government's investment in enhancing the economy's productive aptitude. It arises out of schemes freshly introduced in an ongoing Five Year Plan (FYP) period.

Plan Outlay: Plan Outlay refers to the amount sanctioned for expenditure on projects, schemes and programmes announced in the Plan. The provision for this amount is made through extra budgetary resources and from provisions in the Demands for Grants. The budgetary support is also reflected as plan expenditure in Government accounts.

Primary Deficit: The amount by which the Government's total expenditure exceeds its total revenue generated, excluding the interest payments on debt. It is primarily the difference between the gross fiscal deficit and gross interest payments.

Public Account: Besides the normal receipts and expenditure of the Government which relate to the Consolidated Fund, certain other transactions enter Government accounts, in respect of which the Government acts more as a banker. For example, transactions relating to provident funds, small savings collections, other deposits, etc. The money thus received is kept in the Public Account and the connected disbursements are also made therefrom.

Public Debt: It refers to the total debt of the central and the State Governments. Public debt can be classified into internal debt (comprising of money borrowed within the country) and external debt (comprising of funds borrowed from non-Indian sources). The net accretion to public debt is the difference in borrowing and repayments during a fiscal year.

Revenue Deficit: Revenue Deficit is the excess of Government's revenue expenditure over revenue receipts.

Revenue Expenditure: It is the expenditure incurred by the Government for running of Government departments and conducting various economic, social and general services, interest payments, subsidies, grants and assistance to State and Union territories etc. This expenditure is also categorised as plan and non-plan revenue expenditure.

Revenue Receipts: It includes revenues garnered by the Government through taxes and other non-tax sources. Other receipts of the Government mainly consist of interest and dividend on investments made by the Government, fees, and other receipts for services rendered by it.

Tax Revenues: It comprises of revenue receipts through taxes and other duties levied by the Government. Tax revenue includes revenue generated through both direct taxes (personal income tax, corporate tax, capital gain tax and wealth tax) and indirect taxes (central excise duty, customs duty, service tax and VAT).

Vote on Account: It means a grant made in advance by the Parliament, in respect of the estimated expenditure for a part of the new financial year, pending the completion of the procedure relating to the voting of the demand for grants and the passing of the Appropriation Act.

Vote of Credit: Through the Vote of Credit the House of People can approve grant for meeting an unexpected demand upon the resources of India when on account of the magnitude or the indefinite character of the service, the demand cannot be stated with the details ordinarily given in an annual financial statement.

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Dun & Bradstreet and 3i Infotech Ltd

UNION BUDGET 2018-19
IMPACT ANALYSIS

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