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Analysis of Central Budget 2017-18

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Abstract

The people are society's hope, budget is a miracle or tool that change their lives, every Indian literate or illiterate discuss with others on budgets. Employees, corporate, farmers, common people, senior citizen, students, everybody can hope what is new in the budget for us. The object of research paper study is, what is in budget for them and it is newer than previous budget.

• **Introduction**

In every country of the world the system of the central government to put the budget in their parliaments and discuss what are the sources of revenue collection and on which are the expenses incurred to government in next one year, in between one year on which level the rate of GDP and other development to maintained. Any deficient in budget, what are the solutions to fill up the deficient. Also what type of tax rate for future one year to implement for their people.

The Indian central budget, there are 65% people living in rural area and depends on agriculture. Previous 3 to 4 years there various problems arisen due to rain problems and so the hope of rural people is big and the sources of the government are very less.

In this budget the discussion on the facts, what the government say through budget, how can it will fulfill in future years.

Every year last day of February month, central government submit their budget in parliament, but 2017-18 budget was submitted to parliament on 1st February 2017. It is the first time after the freedom. Second main change in budget is included with the railway, no separate budget for railway from this year, only separate provision for railway in general budget of country.

Before the submission of main budget the finance minister has discussion with various institutes, chambers industrialist on issues of budgets.

The people of the country interested in the submission of budget, because the various problems, rate of inflation, rate of taxes and prices up and down after the budget of various goods; which are the day to day living problems.

The corporate world view of a budget is the corporate and various taxes rate how to determine the government, their demand for decreasing the corporate tax from last so many years to government.

Generally budget concept is very old in the world for any government; with the help of various revenue and other receipts Rs 1 croers with which of the sources and Rs 1 how to go on which expenses.

- **Highlights of the budget 2017-18**

- 1. General budget**

The first time the budget and railway budget were one general budget for country.

- 2. Demonetization**

- Demonetization is expected to have a transient impact on the economy.
- It is a important measure that will lead to higher GDP growth.
- The effects of demonetization will not spillover yhe next fiscal.

- 3. Agricultural sector**

- A sum of Rs 10 lakh crore is allocated as credit to farmers.
- NABARD fund will be increased to RS 40,000 crore.
- Set up mini labs in Krishi Vigyan Kendras for soil testing.
- Micro irrigation fund setup for NABARD RS 5000 crore.
- Give soil card to farmers.
- A model law of contract farming will be prepared.

- 4. Rural population**

- The government is to bring 1 crore houses for poverty line people up to 2019.
- 5 lakh farm pounds taken up under MGNREGA.
- Over Rs 3 lakh crore spent for rural India to double farmer's income.
- Rs 19,000 crore allocated for Pradhan Mantri Gram Sadak Yojna in 2017-18.
- To achieve 100% rural electrification by March 2018.

- 5. For youth**

- Set up innovation fund for secondary education.
- Skill India mission was launched and set up 100 India International centers across the country.
- To create 5000 P.G. seats per annum.

- 6. Infrastructure and railway**

- Total allocation of Rs 3,96,135 crore has been made for infrastructure.
- Total allocation for railway is Rs 1,31,000 crore.

- 3,500 Km of railway lines this year up from 2,800 Km last year.
- 500 railway stations will be made differently abled friendly.
- Rs 64,000 crore allocated for highways.
- High speed internet provided to 1,50,000 gram Panchayats.

7. Energy sector

- Rs 1,26,000 crore received as energy production based investment.

8. Financial sector

- FDI policy reforms.
- Head post office as the central office for rendering pass-port service.

9. Fiscal situation

- Fiscal deficit achieving 3% in the next year which is 3.2% of 2017 18.

10. Defense sector

- The defense sector gets an allocation of Rs 2,74,114 crore.

11. Funding of political parties

- The maximum amount of cash donation will be Rs 2000 from any one source.
- Political parties will receive donations by cheque or digital mode from donors.

12. Tax proposals

- India's tax to GDP ratio is not favorable.
- Out of 3.14 lakh companies, only 5.97 lakh have filed returns for 2016-17.
- Individuals 1.95 crore show income between Rs 2.5 lakh to Rs 5 lakh.
- 76 lakh individual assesses declaring income more than Rs 5 lakh, 56 lakh are salaried of them.
- Only 1.72 lakh people showed income more than Rs 50 lakh a year.
- Between November 8 to December 2016 deposits ranging from Rs 2 lakh and Rs 80 lakh were made in 1.09 crore accounts.

13. Personal income tax

- Existing rate of tax for individual Rs 2.5- Rs 5 lakh is reduced to 5% from 10%.
- Simple one page return for people with an annual income of Rs 5 lakh other than business income.

- **Research methodology**

The collection of data for paper writing is collected from news papers and internet websites after the budget is put on the both houses by finance ministers.

- **Scope of study**

The scope of study for research paper purpose only above given highlights and amount allocation for various sectors compared to last year budget 2016-17.

- **Analysis**

A sum of Rs 10 lakh allocated to credit and in 2016-17 budget total allocation for farmer welfare at Rs 35,984 crores.

- In 2017-18 budget micro-irrigation fund setup Rs 5000 crores, but in budget 2016-17 irrigation fund allocated Rs 20,000 crore, in common words to say decrease Rs 15,000 crore of fund.

- Rs 64,000 crore allocated for road and highway which is already for 2016-17 budget Rs 55,000 crore.

- Infrastructure sector allocation in 2017-18 is Rs 2,21,246.

- Allocation of PMGSY and road construction Rs 97,000 crore in 2016-17, but in 2017 18 separate Rs 19,000 allocation to PMGSY.

The name of the head, various changes and mixed up in another head in budget 2016-17 and 2017-18. So the paper analysis as for research paper is more complicated as per data available.

- **Findings and conclusions**

- Stress on increase in GDP rate.

- Some of new issues stressed in this budget.

- For agriculture sector, more provisions should be made for achieving double income of farmers.

- The problems arises the rising prices of oil and Dollar.

- Government stress the Demonetization, it is better for future.

- The problem after the demonetization, at present the prices of both agriculture good is decline 25% to 30% in market.

- **References**

- The speech of finance minister on budget day 1st February 2017.

- Highlights of the budget in various journals.

- Daily Loksatta news paper budget justification.

- Wikipedia report through website.

