


Assignment
On Cost and
Management
Accounting-IV



Topic :-
Central
Budget
2018-19

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Submission

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Annual Financial Statement of the Central Government for the year 2018-19.



सत्यमेव जयते
Emblem of India

- Submitted By - Arun Jaitley
- Submitted To - Parliament of India
- Presented - 01 February 2018
- Passed - 01 February 2018
- Parliament - 16th (Lok Sabha)
- Party - Bharatiya Janata Party (BJP)
- Finance Minister - Arun Jaitley
- Total revenue - ₹ 2,399,147 crore
(US\$ 330 billion)
- Total expenditure - ₹ 2,920,484 crore
(US\$ 410 billion) (Grand total)
- Program Spending - ₹ 2,442,213 crore
(US\$ 340 billion)
(Through budget).

- Tax Cuts — 5% (in corporate tax for companies with turnover up to ₹250 crore.
(US\$35 million)).
- Debt Payment — ₹575,795 crore
(US\$80 billion)
- Deficit — ₹624,276 crore
(US\$87 billion)
(3.3%) (Fiscal deficit)
₹416,034 crore
(US\$58 billion)
~~(2.2%) (Revenue deficit)~~



INTRODUCTION

The 2018 Union Budget of India was the annual financial statement (AFS), demand for grants, appropriation bill and finance bill of India for the financial year 2018-19. It was presented to Parliament on 1 February 2018 by Finance Minister Arun Jaitley.

PREMISE

The 2018 budget was considered to be a crucial one, as it would be the first since the rollout of the Goods Service Tax (GST) regime in India. It was widely expected that the budget would either increase the exemption limit, or introduce a standard deduction for salaried people to reduce the tax burden, in addition to a reduction of the tax rate for the ₹5 lakh (US\$ 7,000) - ₹10 lakh (US\$ 14,000) slab from 20% to 10%, and an increase in the 30% band above ₹10 lakh (US\$ 14,000). The budget also came on the heels of a cut in the corporate tax rate in the United States.

Printing of the budget began on 20 Jan 2018 with the traditional Halwa Ceremony.

SIGNIFICANT

ANNOUNCEMENTS

The budget contained a number of significant announcements. It included a healthcare programme called the National Health Protection Scheme

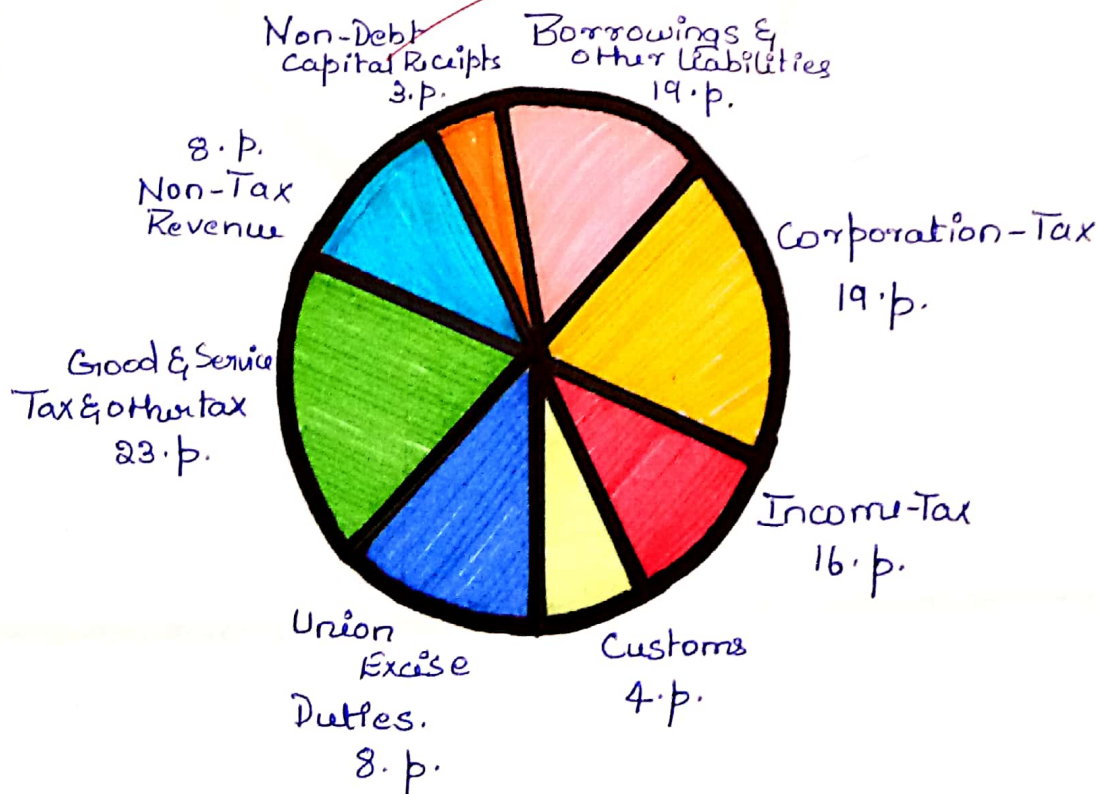
(Ayushman Bharat) to cover 10 crore (100 million) poor families. The Government proposed to contribute 12% to the Employees Provident Fund for new employees for three years. It was proposed that the medical allowance and transportation allowance be replaced by a standard deduction of ₹40,000 (US\$560) for salaried employees. The allocation to the Ministry of Defence was ₹404,365 crore (US\$56 billion) with ₹195,947.55 crore (US\$27 billion) to be spent on the day to day running of the armed forces, and ₹99,563.86 crore (US\$14 billion) on modernisation, with the rest being allocated for pensions.

There was no reduction in personal Income tax rates, and the Cess on income tax was to be increased from 3% to 4%. A 10% tax on long term capital gain (LTCG) was reintroduced after a 14-year absence. The corporate tax was reduced from 30% to 25% for

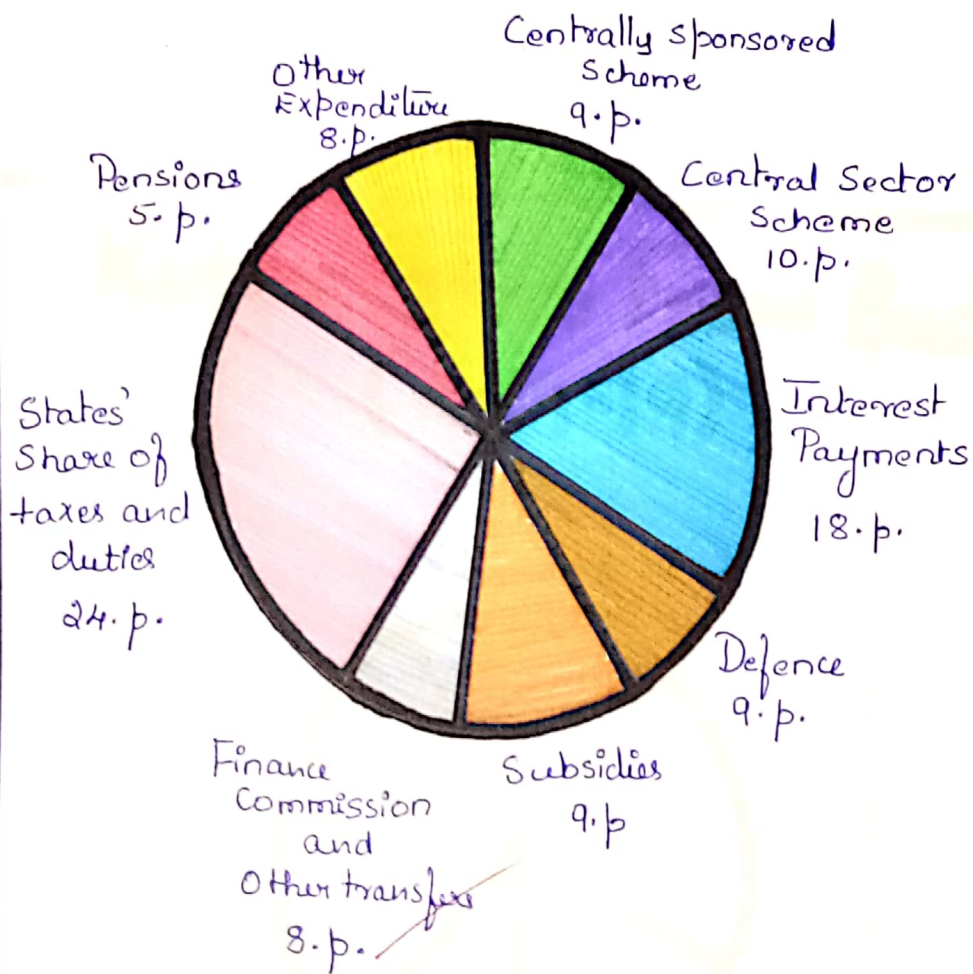
Companies with turnover up to ₹ 250 crore (US\$ 35 million). Customs duties were increased for various products. A special scheme to tackle air pollution in Delhi was also introduced. The Salaries of Members of Parliament were doubled and their total emoluments are likely to go up from Rs. 1.4 lakh to Rs 2.3 lakh per month. Further, the Salaries will be increased every five years.

* ————— *

Rupee Comes From Budget (2018-19)



Rupees Goes To Budget (2018-2019)



The table below gives a concise idea about the budgetary situations (Budget At a Glance) in India as revealed in 2018-19 budget.

Budget at a Glance, 2018-19	Rs. Crores
1) <u>Revenue Receipts</u>	<u>1725738</u>
2) Tax Revenue (Net to Centre)	1480649
3) Non-Tax Revenue	245089
4) <u>Capital Receipts</u>	<u>716675</u>
5) Recovery of loans	12199
6) Other Receipts	80000
7) Borrowings and other liabilities	624276
8) <u>Total Receipts (1+4)</u>	<u>2442213</u>
9) <u>Total Expenditure (10+13)</u>	<u>2442213</u>
10) On Revenue Account of which	2141772
11) Interest Payments	575795
12) Grants in Aid for creation of capital assets	195345
13) On Capital Account	300441
14) <u>Revenue Deficit (10-11)</u>	<u>416034</u> <u>(2.2)</u>
15) <u>Effective Revenue Deficit (14-12)</u>	<u>220689</u> <u>(1.2)</u>
16) <u>Fiscal Deficit [9-(1+5+6)]</u>	<u>624276</u> <u>(3.3)</u>
17) <u>Primary Deficit (16-11)</u>	<u>48481</u> <u>(0.3)</u>

Jan
15/3/19

Reference

<https://en.m.wikipedia.org>

www.indiabudget.gov.in

