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To: Members of the Council

Sub: Union Budget 2017-18 Highlights

Dear Member,

Finance Minister Shri Arun Jaitley presented the Union Budget 2017-18 in the Lok Sabha today.

Some of the Highlights of the Budget are as follows:

1. No changes have been made to excise and service tax regime.
2. Corporate Income Tax on medium and small enterprises reduced. MSMEs with 50 crore turnover will get a 5% reduction in corporate income tax. About 67 lakh companies fall in this category. 96% of companies to get this benefit.
3. Income Tax rate for annual income between Rs 2.5 lakh to 5 lakh reduced to 5% from 10%. Zero tax liability for people with annual income of Rs 3 lakh. Surcharge of 10% on individuals earning between Rs 50 lakh to Rs 1 crore. Tax liability of Rs 2,500 for annual income between Rs 3 lakh and 3.5 lakh. No tax for Rs 4.5 lakh annual income if using exemption under 80C of I-T Act. These proposals mean 50% savings in income for someone earning up to Rs 5 lakh.
4. Cash transactions restricted to Rs 3 lakh.

5. Forex reserves to offer a cover for 12 months of imports.
6. The Foreign Investment Promotion Board has been abolished. Further liberalisation in the FDI policy would be taken in the next few days.
7. MNREGA allocation increased. Highest ever allocation for MNREGA at Rs 48,000 crore. Participation of women in MGNREGA up to 55%.
8. Allocation for infrastructure stands at a record Rs 3,96,135 crore.
9. For transport sector, including railways, road and shipping, Government provides Rs 2.41 lakh crore.

A copy of the Key Features ([click here](#)) of the Union Budget along with the Finance Minister's speech ([click here](#)) are enclosed herewith.

You are requested to please go through the Highlights and send us your suggestions by email on the E-mail IDs ravikumar@texprocil.org/vimal@texprocil.org.

Regards,

Siddhartha Rajagopal
Executive Director

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